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East Asia

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PECC Panel Forecasts Economic Slowdown

OW2305143995 Tokyo KYODO in English 1309 GMT 23 May 95

[FBIS Transcribed Text] Osaka, May 23 KYODO — A panel of the Pacific Economic Cooperation Conference (PECC) forecast Tuesday [23 May] that growth in 19 member economies will slow down gradually in 1995 and 1996 after having peaked in 1994 as a result of measures to check inflation.

The Pacific Economic Outlook (PEO) projected economic growth for the Pacific-rim economies at 4.1 percent in 1995 and 4.0 percent in 1996, compared with 4.7 percent in the 1994 peak year.

The conference is a joint government-industry forum formed in 1980 to promote economic cooperation among Asia-Pacific nations.

A report released by the PEO said economic growth for the region, excluding Japan and the United States, will drop 1.0 percentage point from the preceding year to 6.0 percent in 1995 and to 5.8 percent in 1996.

The report projected Japan's growth rate for 1995 at 1.2 percent, lower than the late forecast of 1.3 percent by the Organization for Economic Cooperation and Development (OECD), citing the yen's steep appreciation and damage caused by the earthquake in the Kobe area in January.

It said the pace of economic recovery in Japan is extremely slow.

Japan's growth will turn upward to 2.8 percent in 1996, the report said.

The U.S. economy will make a soft landing because of strong private-sector performance although its growth will moderate to 3.3 percent in 1995 and to 2.0 percent in 1996 as a result of interest rate hikes, the report said.

The report predicted economic growth in China will slow to 10.2 percent in 1995 and to 9.3 percent in the following year from 11.8 percent in 1994.

It said Malaysia's economy will sustain a growth rate exceeding 8.0 percent until 1996 although its inflation will stay above 4.0 percent.

The report said comfortable growth will be recorded in Chile, New Zealand and Malaysia but the economy in crisis-ridden Mexico will suffer a negative growth rate of 4.9 percent in 1995 with inflation reaching 34.2 percent.

Council Meets To Select Asian Games Host City

ROK, Taiwan Bid To Host Event

SK2205075895 Seoul YONHAP in English 0723 GMT 22 May 95

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — Delegates at the 26th Olympic Council of Asia's (OCA) executive board meeting decided Monday to use a "secret ballot" election method for Tuesday's vote which will determine the host city of the 2002 Asian Games, Korean Olympic Committee General Secretary Yi Kang-pyong said.

The two cities presenting their bid to host the 14th Asian Games in the 21st century are Pusan, Korea, and Kaohsiung, Taiwan.

Yi also said that at the executive board meeting, the Chinese delegate, Wei Jizhong, asked his Taiwanese counterpart, Chang Feng-shu, to withdraw Taiwan's bid, arguing that since Taiwan has not been a member of the United Nations since 1981, "Chinese-Taipei can only participate in sports competitions by recognition of the International Olympic Committee (IOC), and Chinese-Taipei cannot host the tournaments, nor become a full host country."

In response, the Taiwanese delegate affirmed that Kaohsiung would not withdraw its bid to host the 2002 event.

The elections will be held Tuesday afternoon at the OCA general assembly. The city which receives a majority of the 39 votes will determine who the host will be.

There are 43 members of OCA, however, North Korea, Yemen, Afghanistan and Laos did not send their delegates to the conference in Seoul.

Earlier this morning, Pusan Mayor Kim Ki-chae declared that the 4 million citizens of Pusan are eagerly awaiting the positive results of Tuesday's election. The Chinese minister of sports, Wu Shaozu, supported the mayor's sentiment, and claimed that the 1 billion citizens of China are also anticipating Pusan as the host city.

The President of the OCA Executive Board Sheikh Ahmad al-Fahad al-Sabah of Kuwait unofficially said Monday morning that the outcome of the general assembly is optimistic for Korea.

The OCA delegates attended a luncheon Monday afternoon at the Lotte hotel hosted by the Korean Minister of sports and culture, Chu Ton-sik. The minister welcomed the delegates back to Seoul, after their prior visit to the country in 1986 for the Seoul Asian Games and in 1988 for the Seoul Summer Olympics.

Chu pointed out that Asia organized a regional sports competition as early as 1951, claiming that this exhibition of regional cooperation has strengthened friendship and ties among Asian nations.

"As we now stand at the threshold of the new century," Chu forecasted, "the role of the olympic movement will be instrumental in ushering in a new age of Asian harmony and co-prosperity.

"It is in this very sense that I earnestly hope this 14th OCA meeting will provide an effective momentum to furthering Asian solidarity and to prompting the continued development of the olympic movement," the minister declared.

The 14th OCA general assembly will hold an official opening ceremony Monday evening, with remarks delivered by Dr. Kim Un-yong, vice president of the IOC and President of the Korean Olympic Committee (KOC), Sheikh Al-Sabah, Marquis Juan Antonio Samaranch, president of the IOC, and Yi Hong-ku, prime minister of Korea.

Taiwan Protests Defeat in Bid

SK2305121795 Seoul YONHAP in English
0851 GMT 23 May 95

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — Amid the numerous cheers of "Mansei!" shouted by Korea's Olympic Committee of Asia (OCA) delegation and Korean politicians, members of the Taiwanese committee stood stone-faced and somber, some even teary, outside the doors of the OCA general assembly, protesting the "unfair" voting procedures at the meeting that Tuesday elected Pusan, South Korea, over Kaohsiung, Taiwan, as the city that will host the 2002 Asia Games.

Despite Monday's announcement that the elections would be held by secret balloting, this morning's assembly used the hand-raising method for the vote, in which Pusan garnered 37 out of 41 votes. Due to the overwhelming majority, a second vote was not held.

Immediately after the vote the president of the OCA Shaykh Ahmad al-Fahad al-Sabah [name as received] announced Pusan would host the event, a statement was simultaneously being distributed to the general assembly by the Taiwanese delegation denouncing the "abrupt change in the voting procedure... by which we were doomed to fail."

The statement also condemned the hand-raising method, not only because the procedure was changed from Monday's decision, but also because it "defies a long tradition of the Olympic family in identical matters."

Ironically, the Taiwanese team's slogan was "Please give Kaohsiung a chance...to host the Asian Games in different countries and cities is the Olympic tradition."

After the vote, the Kaohsiung delegation stood outside the assembly, holding a banner that stated, "We didn't have a fair chance."

Chang Chi-cheng, a member of the bidding committee of Chinese Taipei, adamantly blamed Kaohsiung's loss upon political bullying in the general assembly, claiming that the conference was "ridiculously unfair" as there were "strong hints," which she deemed as threats to the countries that voted for Taiwan.

"Anybody here with a heart will tell the truth," she asserted.

The Chinese delegation strongly opposed the Taiwanese bid, and went so far as to ask them Monday to withdraw from the race.

A Taiwanese spokeswoman then questioned the benevolence and fraternity of the Asian Games, as the mottos hailed throughout the 14th OCA general meeting. "Everybody's talking about the unity of the Asian sports family. Now, this is not unity," she complained, "this is disharmony."

She criticized the election's maneuvering by members of the OCA as being dishonest and questioned how it could represent an example of good sportsmanship.

"What are the leaders of the sports world doing?" she questioned. "What are they showing the youngsters in the world? This is not fair play."

However, at a press conference after the host city of the 2002 Games was announced, Shaykh al-Sabah said the elections were fair and reiterated the procedures as written in the OCA Constitution.

In Chapter Four of the document, entitled, "Composition, Voting Rights and General Rules of Procedure at Meetings," a clause under Article 13 states "a secret ballot may be taken if the chairman of the meeting so decides or if not less than 15 of the members present make a demand.

"Except as otherwise provided in this article," the Constitution reads, "a simple majority of votes will decide all matters."

Shaykh al-Sabah acknowledged since dissent was voiced by both committees bidding over the election method, a vote was held Tuesday morning, where the secret ballot method obtained less than 15 votes. "By our Constitution," the OCA president remarked, "it is a legal proposal."

But Chang claimed the vote was closer than it appeared. "Pusan and Kaoshiung worked very hard lobbying to get votes," she explained. "When the race is close, as everyone can see, there should be a secret ballot.

"We don't mind losing the bid," she maintained. "But only if we were treated fairly — which we were not."

ASEAN, ARF Officials Debate Spratlys Issue

BK2305130795 Singapore THE STRAITS TIMES in English 23 May 95 p 2

[Report by Ignatius Stephen in Bandar Seri Begawan]

[FBIS Transcribed Text] ASEAN members rejected a Philippine proposal to present a collective position on the Spratlys issue over the weekend and senior officials of the Asean Regional Forum [ARF] aired their views independently at a meeting yesterday.

At their meetings, Asean senior officials decided that the regional grouping would not raise the issue collectively but individual countries could raise it bilaterally.

The Spratlys chain, in the South China Sea, are claimed wholly or in part by Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

The islands are believed to be potentially rich in gas and minerals.

Tension in the area escalated recently following a recent incident involving Chinese fishing vessels and a Philippine navy ship carrying journalists on a tour in the Mischief Reef area.

The reef is occupied by China but claimed by the Philippines.

Events reached a feverish pitch over the weekend with observers wanting to know whether the Asean members, as suggested by US Assistant Secretary of State Winston Lord, would raise the Spratlys issue at the ARF meeting.

Previous reports said that the Philippines wanted Asean to put forth the issue collectively, raising the possibility of an Asean-China confrontation during the current ARF officials meeting.

But as newsmen waited for clarification at the International Convention Centre, where the final senior officials meeting was being held on Saturday, officials emerging from the meeting, chaired by Brunei Foreign Ministry's Permanent Secretary Dato Lim Jock Seng, said a confrontation must be avoided with China.

"We must settle the issue in the spirit of Asean," one of them urged.

Indonesian director-general for Political Affairs Izhar Ibrahim told The Straits Times that only "confidence building" measures could solve the problem.

Several other delegates also echoed similar sentiments, but said that if individual countries want to raise the Spratlys issue with China, they were free to do so. Even the Filipino delegates, who felt strongly earlier that a collective approach should be tabled, toed the line in the spirit of Asean consensus.

Asked on Sunday about China's reaction should ARF members voice the Spratlys issue, China's Assistant Foreign Minister, Mr. Wang Yingfan, said he would wait and see what they have to say.

As far as China was concerned it had made its position clear and there was no change in China's policy. China has claimed all of the Spratlys but had welcomed joint development.

As the session began yesterday, delegates were aware of the delicacy of the matter and said they had no intention to frighten China away.

Mr Wang, emerging from the meeting at noon, said the atmosphere was most friendly and cordial. The ARF officials are understood to have struck an optimistic note, saying that talks to settle the issue should continue.

They commended the efforts in the workshops sponsored by Indonesia which, they said, should be enlarged to form the basis of future progress on the negotiations.

Dato Lim said collective security was the main topic at today's meeting during which views on other tense areas such as North Korea, Cambodia and Myanmar [Burma] were aired.

They also discussed Asean's concept paper for the ARF to work towards regional stability. The paper discusses measures for confidence building, preventive diplomacy and conflict resolution.

Cambodia Admitted as Full Member of ARF

BK2305120995 Singapore THE STRAITS TIMES in English 23 May 95 p 2

[Report by Ignatius Stephen]

[FBIS Transcribed Text] Cambodia will be admitted into the Asean Regional Forum (ARF) as a full member, Dato Lim Jock Seng, permanent secretary at the Brunei Foreign Office, announced yesterday.

Dato Lim, who is chairing the current Asean Senior Officials Meeting (Asean-SOM) said the conference had recommended Cambodia's inclusion into the ARF. It already has observer status at the Asean Ministerial Meetings.

Applications from 10 other nations will be put on hold. Among them are Mongolia, North Korea, India, Pakistan, Britain and France. The ARF groups 18 countries in the Asia-Pacific region, including the United States and Japan.

Japan

Reportage on Auto Dispute Settlement With U.S.

No Settlement Seen Before Summit

OW2405103195 Tokyo KYODO in English 1023 GMT 24 May 95

[FBIS Transcribed Text] Tokyo, May 24 KYODO — A senior Foreign Ministry official said Wednesday [24 May] there is little possibility that Japan and the United States will settle their trade dispute before a Japan-U.S. meeting in Halifax, Canada, next month.

A meeting between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton has been set for June 15 when they will attend the annual summit of the Group of Seven major industrialized democracies.

Negotiations on automobile and auto parts trade between the two countries broke down, prompting the Clinton administration to unveil a preliminary list of 13 Japanese luxury car models on which 100 percent punitive tariffs will be imposed.

Japan brought the case to the World Trade Organization for settlement through bilateral negotiations.

The ministry official, who declined to be named, said the trade issue will not be a major topic of discussion at the Murayama-Clinton summit and both leaders will only reaffirm that the two countries will remain coolheaded in dealing with the matter.

There has so far been no response from the United States to Japan's petition filed with the WTO, he said.

U.S. To Reopen Talks Under WTO

OW2405143295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 May 95 Morning Edition p 1

[By Yasuhiko Ota]

[FBIS Translated Text] Paris, 23 May — The U.S. Government has decided to accept Japan's proposal for bilateral auto talks under the framework of the World Trade Organization (WTO). On 23 May, several U.S. officials visiting Paris for the OECD ministerial conference said Japan and the United States are expected to open working-level negotiations in Geneva next week. While the United States has not shown its stance toward the bilateral talks under the WTO, a U.S. official noted "we cannot refuse WTO rules."

Under the WTO's grievance procedures, the bilateral negotiation is provided as a preliminary step coming before discussions at the multinational panel (grievance subcommittee). The Japanese Government's complaint with the WTO against the U.S. sanctions was filed with an emergency request for opening the bilateral talks within 10 days.

The U.S. Government has been saying "U.S. Trade Representative Mickey Kantor may meet International Trade and Industry Minister Ryutaro Hashimoto if Japan requests the meeting, but we have no intention to ask for such a meeting on our own initiative." However, the United States actually desires an early resumption of the auto negotiations. It appears the United States is trying to save its face by accepting the bilateral negotiations according to WTO rules.

The timetable for the negotiations has not yet been announced, but the negotiations are expected to open as early as 29 May as a U.S. official said "we had to decide it before the deadline coming in 10 days (after Japan's complaint)." Even in the resumed negotiations, however, the United States is highly likely to repeat demands made in previous talks, such as expansion of Japanese automakers' voluntary parts import plans.

'Source': WTO Not True Solution

OW2405034795 Tokyo KYODO in English 0309 GMT 24 May 95

[FBIS Transcribed Text] Washington, May 23 KYODO — A ruling by the World Trade Organization (WTO) will not represent a true solution to the trade row between Japan and the United States over autos and auto parts, a Japanese diplomatic source said Tuesday [23 May].

"Even if Japan comes out the winner under the ruling by the WTO's dispute settlement panel, it will not be a genuine solution," the source said.

He emphasized the need for the two countries to try to reach an agreement through bilateral trade talks, while discussions take place at the WTO on Japan's petition against the U.S. proposed sanctions on 13 Japanese luxury cars.

The comment was slightly less aggressive in tone than the remarks made so far by Japanese officials, who have asserted that negotiations are impossible under the threat of U.S. sanctions.

The source pointed out, however, that it is difficult to comply with the U.S. request for voluntary purchases of foreign auto parts by Japanese carmakers.

"There are fundamental problems with that request," he said, referring to the Japanese Government's stance that it cannot intervene in the private sector.

Comments on U.S. Trade Sanctions Against Tokyo

Imai: Boost Domestic Demand

OW2305141895 Tokyo KYODO in English 1250 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — The new leader of the steel industry said Tuesday [23 May] Japan's economy should become domestic demand-oriented rather than export-oriented to cope with the strong yen and to squeeze its huge trade surplus.

Takashi Imai, president of Nippon Steel Corp., was officially appointed the same day as new chairman of the Japan Iron and Steel Federation to replace Hiroshi Saito, who is chairman of the company.

Imai said at a press conference, "Japan should aim at a 3 percent year-on-year economic expansion like Southeast Asian nations and other developed countries to escape from the current so-called zero percent growth."

As concrete steps for Japan to become a domestic demand-oriented nation, Imai said, industries need to be stimulated by implementing various deregulatory measures.

Imai also said a major change will be necessary in the current corporate tax system to boost domestic demand.

Regarding the recent announcement of punitive tariffs on Japanese luxury cars by the United States, such a sanction, if implemented, will have adverse effects on the Japanese steel industry with damage worth over 100,000 tons of steel.

EU Leaders Criticize Tariff Plan

OW2405122495 Tokyo KYODO in English 1206 GMT 24 May 95

[FBIS Transcribed Text] Paris, May 24 KYODO — Leaders of the European Union on Wednesday [24 May] criticized the U.S. Government's plan to impose retaliatory tariffs on luxury Japanese car imports in connection with failed auto trade talks between Japan and the United States.

The EU leaders are concerned about the strong U.S. stance, which they say runs counter to free trade principles and the interests of the union, sources quoted the leaders as saying at their meeting in Paris with Japanese Foreign Minister Yohei Kono.

But the European leaders, including French Foreign Minister Herve de Charette and Leon Brittan, the EU commissioner in charge of trade and relations with industrialized nations, said that although the EU's trade deficit with Japan is narrowing these days, Japan should open its market wider to imports to further reduce the trade imbalance.

Kono called for the EU to pay attention not only to the Asian economy but also to political and security issues in the region, including the Korean peninsula Energy Development Organization and China's nuclear tests.

Sakamoto Interviewed on Auto Dispute

BR2405114895 Paris LE FIGARO (LE FIGARO ECONOMIE Supplement) in French 24 May 95 p 4

[Interview with Yoshihiro Sakamoto, Japanese deputy minister for international trade and industry, by Jean-Pierre Robin; place and date not given: "Yoshihiro Sakamoto: U.S. Demands Contravene WTO Treaty"]

[FBIS Translated Text] [Robin] U.S. Trade Negotiator Mickey Kantor considers that the ball is now in your court. So what is preventing a restart to bilateral negotiations?

[Sakamoto] The Americans have indeed sent the ball back, but as MITI Minister Ryutaro Hashimoto told them, they did not send it back into our camp but instead they put it out of play!

[Robin] Is lifting the threat of reprisals against luxury cars — which caused you to submit the dispute to the WTO — a precondition [for restarting talks]?

[Sakamoto] Even before we reached that point, the problem was that the U.S. Government asked the Japanese Government to make a commitment on an issue that did not fall within its area of responsibilities and which comes down to obliging Japanese companies to purchase U.S. spare parts. Mr. Kantor's proposals contain three difficulties.

First, the supply of spare parts must be left up to the Japanese carmakers and not the government as the Americans claim. Second, the fact of forcing private companies to buy U.S. parts is in flagrant contravention of the WTO treaty. Third, the rules of competition were broken and centrally administered trade policy shone through when senior U.S. officials went to Toyota with Honda and Nissan management plans, suggesting that Toyota take inspiration from these when buying its spare parts.

[Robin] So you refuse the plans for voluntary purchasing that the Americans are proposing? What do you suggest to replace them?

[Sakamoto] The United States has asked us to increase access to our car market. To reply to U.S. and European demands we are looking to take measures concerning spare parts and distribution.

Where distribution is concerned, Japanese dealers are free to choose the brands they want to sell. We will restate this rule of principle. If we then notice that Japanese carmakers are preventing dealers' access to foreign brands then we will set a mechanism in place to break down these barriers. Where spare parts are concerned, a certain number of regulations do exist for safety and environmental reasons. We intend making these more flexible. However, these regulations only affect 3.6 percent of components and do not discriminate against foreign suppliers.

This problem must only be resolved by respecting the rules of the WTO. The Americans are in contravention of these rules when one government demanded undertakings from the other and set a target for the increase in the number of dealers one year from when the agreement is signed. Regarding spare parts, the Americans are asking us to change the Japanese technical inspection system implemented by garage owners under the supervision of the public authorities — a system which is, incidentally, very similar to the European one. This demand runs completely counter to the spirit of the technical inspection procedure in Japan where the garages must have the technical skill required to repair vehicles.

[Robin] Sir Leon Brittan, European foreign relations commissioner, considers that the U.S. sanctions contravene the WTO treaty. Do you feel you have the formal support of the Europeans in this dispute?

[Sakamoto] Sir Leon Brittan met with Mickey Kantor on Monday [22 May] and told him that he did not approve of the unilateral sanctions. The European Commission together with the other countries of Europe and Asia are all concerned by America's unilateral stance, despite the fact that the United States helped found the WTO.

[Robin] At the end of the day, do the Europeans not share the U.S. criticism of Japan?

[Sakamoto] Sir Leon has, it is true, expressed his sympathy with the U.S. position and the need to facilitate access to the Japanese market. Where distribution is concerned, the Europeans are certainly looser than the Americans since Europe practices a system of selective distribution similar to our own. Moreover, the European manufacturers appear not to be at all bothered by the dealership issue. On the spare parts front, they would like the market conditions to be clarified. The Commission in Brussels has made proposals to this end which we consider to be acceptable.

I should stress the different stances adopted by the various manufacturers. The three leading U.S. carmakers do not appear to have been really interested in the Japanese market to date. For example, the Americans have not presented [for sale on the Japanese market] any vehicles rated at less than 2 liters — although this segment represents 80 percent of the market; the Europeans, on the other hand, are selling no fewer than 154 different models. Then again, for 3-liter plus cars, the Americans already have a considerable market share of 24.8 percent, so our market cannot be as closed as they claim.

Editorial Urges Dialogue To Settle Auto Talks

OW2405023295 Tokyo TOKYO SHIMBUN in Japanese 18 May 95 Morning Edition p 4

[Editorial: "Japan, U.S. Going Deep Into Dangerous Game"]

[FBIS Translated Text] Now that the United States has announced the list of Japanese products it may levy sanctions on, confrontation between the two nations will further intensify. Although some people strongly urge "the settlement of the dispute at the World Trade Organization [WTO] as a last resort," there is a fear that the decision to bring the matter before the trade body may not achieve anything.

Following the breakdown of Japan-U.S. talks on auto and auto parts, the United States announced its sanction list. Although it was expected, we must admit that the U.S. conduct will have a certain impact on Japan-U.S. relations. So far, the United States has, at every opportunity, maintained the importance of "fair" trade. But we must say that the announcement of the sanction list severely fractured the basis of its argument.

Meanwhile, the Japanese Government filed a complaint with the WTO over the U.S. decision to unilaterally apply sanctions, which it claims is a violation of international rules. It has also hinted at the possibility of taking retaliatory measures. To counter Japan's move, the United States took pre-emptive action and delivered a note to the WTO on "the discriminatory nature of the Japanese market."

If the United States had not announced the sanctions list, but had merely warned it would file a complaint with the WTO over "Japan's closed market," it would surely have caused more trouble for Japan. As it turns out, the United States resorted to sanctions and Japan filed the complaint.

Based on Section 301 of the 1989 Omnibus Trade Act (sanctions measures toward unfair trade practices), the United States will raise tariffs on 13 models of Japanese luxury cars from the current 2.5 percent to 100 percent. This decision stems from the U.S. judgment that the impact of these sanctions on U.S. society will be limited as they only affect high-income earners; the models are not built in the United States; and almost no U.S.-made auto parts are used in the cars.

However, the most crucial point for the two nations is how to deal with the dispute from now on.

Before the sanctions come into effect, the two nations will have time to examine each claim at public hearings and other discussion arenas. It means that the implementation of the sanctions will be decided after the industrialized nations' meeting (Halifax summit) to be held in June. Based on this scenario, the United States demonstrates its strong hope the dispute will be settled at the summit.

One reason for Japan filing a complaint is clear: Taking unilateral sanction measures in a trade dispute violates WTO rules. Furthermore, the major cause for the breakdown of the auto talks is the persistent U.S. demand for increased procurement of U.S.-made auto parts by Japanese auto makers. However, the U.S. complaint is quite obscure.

Overall, the Japanese market is "closed." This is a perception strongly held not only by the United States but also in Europe and Asia. But when one questions the nature of a market, it should be discussed from a structural and comprehensive viewpoint. What we want to know is whether the two nations can, in a reasonable manner, settle the dispute under the WTO framework.

In this regard, we can say Japan has an advantage in the dispute settlement process at the WTO.

The prevailing argument here is: "Japan has repeatedly made compromises in trade disputes with the United States. We must say goodbye to a negotiating style under which haphazard compromises are made, and instead entrust the matter to the WTO for settlement."

However, even if the issue is entrusted to the WTO, we believe the two nations must make every effort to settle it through dialogue. Japan, even it wins at the WTO, has no guarantee the United States will revoke its "punitive tariff" sanctions. What will be left behind will be deepened U.S. distrust of the Japanese market. With this in mind, we would hardly say that winning the argument at the WTO will improve the international community's perception of the Japan's market.

The U.S. action is full of inconsistencies, reflecting just how disparate this nation is. Although it is right for Japan to stand up for itself by not refusing to compromise, it cannot expect to win wide-ranging support from the international community without formulating drastic measures to correct the bilateral trade imbalance.

Toyota Unveils 'Gloomy' Outlook for FY95

OW2305141595 Tokyo KYODO in English
1136 GMT 23 May 95

[FBIS Transcribed Text] Nagoya, May 23 KYODO — Toyota Motor Corp. on Tuesday [23 May] released a gloomy earnings projection for fiscal 1995 anticipating a large profit fall under the strong yen and an expected slapping of punitive U.S. tariffs on its luxury car imports.

For fiscal 1995, Toyota anticipates 200 billion yen in unconsolidated pretax profit and 100 billion yen in net profit on sales of 8 trillion yen, the biggest Japanese automaker said.

The forecast represents a steep profit fall in light of Toyota's strong performance in the previous business term to March this year, with its pretax profit-to-sales ratio dropping to 1.5 percent from 2.5 percent.

Toyota came up with the gloomy earnings forecast largely because of the strong yen, which makes Japanese exports less competitive overseas, and the U.S. Government's plan to levy retaliatory import tariffs of 100 percent on luxury Japanese car imports, including Toyota's Lexus models, in connection with failed bilateral auto trade negotiations.

Masami Iwasaki, Toyota's vice chairman, said, "we cannot declare a recovery in earnings though we want to" because of the strong yen.

In addition, another Toyota executive said the automaker would lose 300 billion yen in sales and more than 30 billion yen in profit if the U.S. retaliatory tariffs are imposed.

To make matters worse for Toyota, a substantial increase in domestic demand for cars is unlikely this fiscal year. A Toyota official said the company is in an "historical crisis."

According to results released Tuesday by Toyota for the business term which ended March 31, the company chalked up 236.21 billion yen in unconsolidated pretax profit on sales of 6,163.89 billion yen.

The fiscal term covers nine months as the carmaker switched its fiscal year to end March 31 rather than June 30.

On an annual basis, profit and sales are calculated to be up 47.1 percent and 0.8 percent over the year through June 1994, representing their first profit and sales gains in five years.

Domestic car sales totaled 1,575,000 vehicles while exports came to 1,063,000 vehicles, Toyota said. The company noted strong demand for its rav4 small sports utility vehicle and a sharp increase in exports to the United States.

Reflecting a pickup in demand for cars, Toyota's operating profit jumped to 155.13 billion yen, equivalent to an annual increase of 2.7 times over the June 1994 year.

Net profit for the nine-month term came to 110.91 billion yen or 29.66 yen per share.

Toyota said it will pay a dividend of 14.50 yen per share for the nine-month term, compared with 19.00 yen in the previous year.

The company also released consolidated results for the nine months, including 131.95 billion yen in net profit, or 35.29 yen per share, and a pretax profit of 274.81 billion yen.

Group sales totaled 8,120.98 billion yen, Toyota said.

Toyota said it plans capital outlays of 250 billion yen for the current fiscal year, compared with 226.9 billion yen on an annual basis for the previous term.

Editorial on Issues Raised in Trade White Paper

OW2405053695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 May 95 Morning Edition p 2

[Editorial: "International Competitiveness of Japanese Systems Called Into Question"]

[FBIS Translated Text] The appreciation in the value of the yen, the rise of newly industrializing economies, such as ASEAN and China, U.S. industrial revitalization, and so forth — there has been a radical change in the environment for international competition for Japanese industries and companies. In such circumstances, Japanese trade and investment is also undergoing major structural changes. The "Trade White Paper" for 1995 analyzes such changes.

It is of particular interest that the document concludes that the Japanese economy itself needs urgent structural reform. It focuses on what to do with the domestic systems.

With the globalization and increasing interdependence of the world economy in recent years, no country is now able to stop changes from affecting sectors other than trade and the so-called marginal areas. Companies have globalized their procurement of parts, and the process wherein the world economy continuously comes into the picture in domestic business operations is now taking effect. Even capital investments are now allocated based on an overall evaluation of domestic and overseas investments. Distribution channels for imports are diversified and this has aggravated the phenomenon of "price demolition" in the domestic market.

Industrial plants are now located without regard for national boundaries.

With such microeconomic (at the company level) behavioral changes, there have also been fundamental changes in the macroeconomic cycle. A typical indication of this is the increase in the ratio of manufactured imports (55.2 percent in 1994). Despite the overall domestic economic recession, imports continue to increase in leaps and bounds.

From another point of view, it can also be said that the market mechanism has begun to work properly in the Japanese economy.

However, the problem with the Japanese economy is that it is segregated into sectors bound by few regulations where the market mechanism works, and sectors strongly restricted by protectionism and regulations where the market mechanism cannot function. The problem of the domestic-overseas price gap is mainly a manifestation of this phenomenon of segregation.

The "White Paper" emphasizes that: 1) Economic management with a perspective limited only to the domestic economy and market will not work; 2) the economic efficiency of countries with a distorted market which hampers competition will decline and they will be left behind in global business activities; and therefore, 3) there are aspects in the economic systems that used to be the foundation of Japanese economic development which now fail to adapt to international changes.

We agree. This is an era when the economic systems themselves are exposed to international competition. The Japanese systems need to be reviewed from this point of view.

In reality, deregulation has not made much progress. While other countries are relaxing regulations, including reducing corporate taxes, and exerting increased efforts to improve research and development facilities and industrial infrastructures, Japan's various regulations appear to be more restrictive in comparison.

The problems are not limited to the manufacturing and distribution industries that are cited in the "White Paper." There are even more serious concerns regarding the "hollowing out" of the financial sector.

Financial liberalization in Japan has made a certain measure of progress since the agreement made at the 1984 Japan-U.S. yen-dollar committee. However, other nations have taken even more positive steps in financial liberalization since then and, as a result, they have overtaken Japan. This can also be seen as "a comparative strengthening of regulations." Foreign investments will not come to a market with unattractive systems. We need to squarely face the reality of competition between systems.

NFP Compiles Security Policy Outline

OW2405060195 Tokyo SANKEI SHIMBUN in Japanese 19 May 95 Morning Edition p 3

[FBIS Translated Text] The New Frontier Party's [NFP] "project team on basic security issues" (headed by Yukihisa Yoshida) has compiled a "security policy" outline that was released on 18 May. The party plans to finalize the outline by the end of the month. The outline calls for active cooperation in United Nations efforts to maintain a collective security system and the activities of U.S. forces in the Asia-Pacific region. It also seeks to lift the ban on Japan participating in peacekeeping forces' (PKF) activities, which is stipulated in the Peacekeeping Operations (PKO) Cooperation Law. To implement these measures, the outline proposes a "review of the constitution" and the enactment of a "basic security law" (tentative name). The project team has decided not to indicate in the outline its approval of Japan's exercise of the collective self-defense right because of opposition from former Komeito members and other groups. Noting that the security environment has become unstable since the end of the Cold War, the outline calls for the promotion of international cooperation. It says: "As a member of the international community, Japan should share burdens and responsibilities equitably with other countries."

In addition, the outline notes the need for Japan to actively participate in the UN collective security system, saying: "Japan should give any kind of cooperation to UN activities conducted in accordance with the UN Charter." Referring to Japan-U.S. security arrangements, it notes the need to give support and cooperation to "various U.S. activities aimed at maintaining peace and stability in the Asia-Pacific region."

Moreover, to realize the active participation in PKO, the outline proposes the removal of a ban on Japan joining PKF activities while noting the need to observe "five PKO principles," which call for consent from the countries concerned before Japan starts PKO activities. In this way, it stresses the need to review the PKO Cooperation Law. The outline also proposes promoting discussions on a "review" of the constitution, as well as the enactment of a "basic law" that stipulates basic security measures.

In view of the need for Japan to assist the United States in its work to maintain peace and stability, the project team repeatedly discussed the issue of whether or not Japan should exercise the collective self-defense right. The current constitution prohibits the use of the right. The team eventually decided not to show its approval of the right because of opposition from former Komeito members, who have claimed "the party will not be able to win understanding from supporters," and that "we do not want to launch a policy of approving the use of the right in the forthcoming House of Councillors' election."

The project team launched a unified view: "Cooperation in U.S. activities is limited to logistical support, such as the provision of fuel and transport. It excludes the use of force or actions regarded as the use of force. It does not, therefore, run counter to the constitution," and "if there are questionable points in view of constitutional interpretation, legal measures will be studied beforehand."

This indicates that the security outline does not propose the use of the collective self-defense right, but if the possibility of the nation exercising the right crops up, the matter will be discussed again.

Because the project team has left for the future discussion of the constitutional interpretation of the use of the collective self-defense right, the NFP's present security policy remains ambiguous. It is uncertain whether, with the NFP's security policy, Japan can properly deal with such crises as an emergency on the Korean Peninsula.

Panel Discusses Importance of Security Treaty

952B0145A Tokyo THIS IS YOMIURI in Japanese Apr 95 pp 34-47

[Roundtable discussion with Hisahiko Okazaki, former ambassador to Thailand; Shinichi Kitaoka, professor, Rikkyo University; Haruo Shimada, professor, Keio Universiy; Takemoto Iinuma, chief, research department, YOMIURI SHIMBUN; place and date not given]

[FBIS Translated Text] [Iinuma] There has been a lot of discussion on how to assess the Japan-U.S. Security Treaty in the post-Cold War period. One argument is that, as Japan's real enemy is gone, the Japan-U.S. Security Treaty is no longer necessary. Another argument supports "maintenance of the Security Treaty," saying that as we are in a period of instability after the end of the Cold War, the Japan-U.S. Security Treaty is needed more than ever. Would you begin your discussion, starting with your thoughts on where we stand in terms of the Japan-U.S. Security Treaty after the end of the Cold War?

[Okazaki] Let me begin with a large picture. Owing to the end of the Cold War, a threat from Russia has disappeared, and that from China remains as a matter for a distant future. Therefore, we are in a transitional period at present. But, the situation could change drastically in 10 years.

We are exactly in the same situation as when we annulled the Japanese-Anglo Alliance. Although the alliance was annulled officially in 1922, such an annulment had been already considered around 1920. At that time, three years after the Russian Revolution, Russia was not a threat at all. As the Northern Expedition in China didn't begin until 1926, China was preoccupied with separatist warlords, and not a threat, either. Therefore, there were no threats to Japan, and as we judged this situation to continue for a fairly long time, we accepted the annulment of the Japanese-Anglo Alliance. But, in 10 years, we soon realized that our judgment was totally wrong.

The Far Eastern Division of the Soviet Army was becoming increasingly strong, much stronger than Imperial Russia, and the Ching dynasty was moving out of a militaristic condition and becoming more like a people's nation. As Japan had to deal with this situation on its own, it began to place priority on military. As militarism didn't become prevalent until much later, the nation as a whole placed priority on military around that time.

With knowledge of this experience, the right choice for us this time is not to destroy but to maintain the existing system in this transitional period. This is the most prevailing argument.

Prevent Conflicts

[Kitaoka] We are thinking about our future, not starting from scratch, but with the fact that the Security Treaty exists.

It follows, then, that we must compare two senarios — what will happen if we abolish the Security Treaty, and what if we maintain the treaty. A treaty of alliance, however, is not only for dealing simply with some specific objectives, but also effective in linking two nations together. It prevents various possible conflicts that could arise between Japan and the United States, and thereby links the two countries together. From the U.S. perspective, it is based on a "cork-in-the-bottle theory." In other words, the Japan-U.S. Security Treaty exists so that the U.S. military forces stationed in Japan can keep an eye on Japan, preventing Japan from taking independent military actions. Also, from our perspective, the Japan-U.S. Security Treaty prevents and contains conflicts with the United States; it is a basis for a relationship where Japan and the United States don't have to worry about invading or attacking each other.

I think this treaty was quite well conceived in terms of its contents. For example, Article 2 refers to mutual efforts in strengthening various systems of freedom, eliminating inconsistencies in economic policies, and promoting economic cooperation. The treaty is economic-oriented in a relative sense. Recognizing this, the people in line with Shigeru Yoshida and Hayato Ikeda, who used to have a cool attitude toward Nobusuke Kishi's plan to revise the security treaty, became supportive of the treaty in around 1959.

In comparison to the prewar period, as long as a treaty of alliance existed without much strain, it seemed to have served as a common moral basis for each other. The Japanese-Anglo Alliance was formed certainly to deal with the threat from Russia, but at the same time it served as a joint force of civilizations against despotism.

A Reciprocal Agreement in Essence

[Shimada] Various changes are possible in the long run, I think. There is a possibility that China's growth could become extremely large in the long run, and there is an issue of China's relation Taiwan as well as with Russia. In fact, relations among various nations around Japan contain extremely unstable elements, both militarily and politically. Even in terms of the immediate future, I don't think it possible for Japan to maintain the foundation for its existence as a nation without having a security treaty-based relationship with the United States in both the short and medium terms.

It is not possible militarily, for example. With a budget of 4 trillion yen, Japan's Self-Defense Forces [SDF] maintain both frontline and logistics equipment. But, although they have a world-renowned system of antisubmarine patrol planes, they don't have frontline equipment to speak of in any other areas.

After the withdrawal of their bases in the Philippines, the U.S. forces' strongest military bases are now in Japan, except for their home bases in the United States. With a home port in Japan for the Seventh Fleet, the U.S. military bases in Japan assume pivotal roles in the Indian Ocean and the Pacific Ocean. It follows, then, that the Self-Defense Forces are in fact guardian troops for the U.S. military forces stationed in Japan. The Japan-U.S. Security Treaty is often regarded as a unilateral agreement, but when we consider the above-mentioned reality, it should be regarded essentially as a reciprocal agreement, albeit a unique one. Only through cooperation between Japan and the United States, can a comprehensive system of security be maintained. And, this fact is neither talked about much in Japan nor well understood by the Japanese people. If we raise this fact in our discussion, we'll be able to refute the often-told argument after the end of the Cold War that says, Japan has not been paying peace dividends to Asian nations.

Japan Lacks Strategic Definitions

[Okazaki] The Japanese government doesn't have a way of defining things in strategic terms. If it did, everything would become much clear. Without explaining, the only thing Mr. Murayama said was to "maintain the security treaty." There must be some reasons why and in what kinds of strategic thoughts the treaty will be maintained. Our leader doesn't have an ability to explain these reasons.

[Kitaoka] That's exactly right. As soon as Mr. Murayama declared the "maintenance of the security treaty," the media reported that there were no longer major policy conflicts among various political parties, except for the Japan Communist Party. That's nonsense. When those who used to demand unarmed neutrality for many decades begin to say that they uphold the security treaty, we should not take that statement at face value. Saying that they uphold the security treaty and cooperative relations between Japan and the United States is like a university president saying, "We provide a good education." Anyone can say that. What's important to know is to what extent they are prepared to carry out their promises, what kinds of expertise they have, and what they have done in the past.

I think it extremely troublesome that when the maintenance of the security treaty was declared only in words without any explanation for this policy transformation, the media reported that policies had become unified, and that there was not much to worry, no matter who would take charge of politics.

[Shimada] When I observe the current political situation in Japan, there are so many things I cannot put up with. A clear example is this: The Liberal Democratic Party [LDP] fell from the power and became an opposition party, but it couldn't stand being an opposition party. It just wanted to regain political power in any way possible. Therefore, it probably didn't care who would become a prime minister, ss long as it could attain a reasonable balance of power in terms of numbers. It asked the Social Democratic Party of Japan [SDPJ] to accept four conditions — the Rising Sun flag, the Self-Defense Forces, the Security Treaty, and the consumption tax. It promised that it would vote for Mr. Murayama for a prime minster if he accepted these conditions. Then, Mr. Murayama said, "I have never been excited like this before," and became a prime minister.

If political affairs are conducted at this kind of level, voters will not vote any longer. Ideologies, principles, and policies determine the ways of our lives. After weighing these factors, people cast their votes.

Only through theoretical debate, can we discuss anew what the Japan-U.S. Security Treaty means, and what its strategic implications are. But, if politics is based on emotional relationships and jealousies, like pulling each other's legs, such discussion itself may be considered childish. This is a denial of democracy, and the society will not function.

What I must say as a citizen is about the recent Great Hanshin Earthquake. The biggest issue here, I think, is that the prime minister as commander in chief of the three forces should have issued an order immediately to mobilize the SDF. According to Article 83 of the Self-Defense Forces Act, if the head of a self-governing municipality so requests, the SDF can be mobilized. Nothing is said about a request by the prime minister. But, although Section 2 of Article 83 states that mobilization can be effected by judgment of a local commander, I believe if the head of the nation requests such mobilization in pursuant to Section 2 of Article 83, saying that he will take all responsibility associated with it, the local level could have taken immediate action.

As a prime minister of a nation, he [Murayama] certainly lacked a sense of urgency. The head of a nation is supposed to protect the lives and property of its citizens. If he can't do so, he should not be prime minister.

Changing One's Policy Stance After Taking Power Is Fraud

[Kitaoka] To get elected, he used to say that once he was in charge of government, he would abolish the Security Treaty, the SDF, and the consumption tax. When he got political power, he changed his promises. That's so unreasonable. It's fraud.

[Shimada] If he doesn't like it, he should not become prime minister. If he doesn't like it, but still wants to become prime minister, that would be a crime against the citizens. Some qualified individual should become prime minister.

[Kitaoka] But, he seemed like a man who would make such a wrong judgment. After all, it is also wrong to support this kind of a person to become prime minister.

[Shimada] Honestly, I think those who supported him are most responsible for this.

[Kitaoka] I may be repeating myself, but as far as the Japan-U.S. Security Treaty is concerned, the people in charge have made tremendous efforts to implement this treaty and the cooperative relationship between Japan and the United States. It is wrong to consider them as the same as the person who changed overnight and became a supporter of the security treaty.

Bloodshed Cannot Be Substituted With Something Else

[Okazaki] I would like to comment on your opinion that there is a reciprocal aspect in the Japan-U.S. relationship. This reciprocal aspect has been achieved through Japan's strenuous efforts. But it is based on a relationship where something that cannot be substituted is actually substituted. For example, when a town needs to clean up ditches, it is like my saying that I don't like anything dirty, so I will not participate in cleaning up the ditches, but I will provide money and meals. A reciprocal aspect in this case is created simply by my providing lots of money; it is quite likely that the other side will eventually think of me as an outsider. Money and goods tend to be despised, but at the same time they are appreciated. Therefore, such a relationship in general has a reciprocal aspect; both sides can profit from it.

But, when it comes to the essential aspect of an alliance, there are things that cannot be substituted. For example, let's assume that when several thousand young Americans are dying to defend Korea, Japan's SDF refuses to dispatch even one of its airplanes. If this is the case, the alliance cannot be sustained. The reciprocal obligation for bloodshed is bloodshed. Without that, the alliance is always subject to a danger of losing ground.

In fact, those who drafted the existing security treaty, such as Mr. Ushiba (Nobuhiko, former vice minister at the Ministry of Foreign Affairs), for example, said that they accepted the right for collective defense at the time of revising the old treaty so as to correct this situation. This is written in the preamble of the treaty. But, later in the text, there is a conditional clause, "in accordance with the Constitution." Therefore, the right to collective defense is not being used at present because of the way the Constitution is interpreted. So, if we revise the Constitution, or change our interpretation of the Constitution, we will be able to restore the original intent of the Security Treaty.

[Kitaoka] The Constitution was drafted in 1946 and became effective in 1947. Later, however, Japan concluded the San Francisco Peace Treaty in 1951 and the Security Treaty in 1951. It joined the United Nations in 1956, and in 1960 the Security Treaty was revised. But all of the above acknowledge the right to collective defense. I think it strange that this kind of important and basic right, which is clearly recognized in international laws and regulations, has been interpreted as unconstitutional for many years.

Two Agenda for Japan

[Shimada] Bloodshed for bloodshed, or truly helping each other and depending on each other are reciprocity, I believe. Therefore, the reciprocal aspect I mentioned earlier is a very unique one. There are two agendas for Japan to become a nation that can play an independent, reciprocal role. One is how seriously and with what kinds of principles Japan is going to create a setting for truly open discussion on security issues in Asia with Asian nations. It is a question of how to cultivate trust.

Another is how Japan will deal with the international community in such places as the United Nations. For example, if Japan becomes a permanent member of the UN Security Council and only plays a dummy for the United States, it is not a nation that can carry out an independent, reciprocal role.

[Kitaoka] Regarding the issue of reciprocity, let me draw an example from the Japanese-Anglo Alliance in the prewar period. At that time, there was a considerable gap in terms of national power between Japan and England, a gap far greater than that between Japan and the United States today. In fact, the amount of what Japan could provide as aid was probably not that substantial. But the two countries were supposed to help each other in earnest within the limits of respective national power. Among various things that Japan did during World War I, what England most appreciated was that Japan dispatched its destroyers to the Mediterranean Sea, although that was a small effort compared to the total size of the war. Therefore, if we hesitate to take part in such security-related activities, we will not be able to satisfy the reciprocity.

[Iinuma] Relating to that point, isn't it necessary to rewrite the Security Treaty, or to revise certain provisions?

[Okazaki] That clause, "within the limits of the Constitution," is another issue, because that will be resolved if we revise our Constitution.

[Kitaoka] How about the statement at the beginning of Article 6, which says, "to maintain Japan's security as well as international peace and security in the Far East"? I think we should expand the scope, if agreement can be reached.

[Okazaki] I think so, too. During the recent Japan-U.S. Summit, both President Clinton and Prime Minister Murayama said, in effect, "The Japan-U.S. Security Treaty is for peace and stability in the Asia-Pacific region."

[Kitaoka] In fact, we are moving in that direction. Compared to the time when the treaty was written, an area that can be covered by a military force has expanded owing to technological advances. There are also issues pertaining to sea lanes.

[Iinuma] Certainly so. Realistically speaking, U.S. military bases in Japan were in fact quite useful at the time of the Gulf war.

[Shimada] Very much so. According to the former Deputy Defense Secretary Ikure, in substance the distinction between the Pacific region, even the Far East, and the Atlantic region is no longer meaningful. For example, think of Russia; that country is related to all these regions.

[Okazaki] I think we may suggest that the "boundary for the Far East" in the Security Treaty can be revised as the "Asia-Pacific region."

[Shimada] Yes, at the least.

The Treaty's Provisions Need Not Be Changed

[Kitaoka] I think it would be nice to rewrite some provisions of the treaty, but I don't think it absolutely necessary. Regarding the provision, "to contribute to the maintenance of international peace and security in the Far East," we can argue that the Middle East is important for security in the Far East, and therefore it is possible [for Japan] to assume a global role. But, to be more forward-looking, I think it good to consider such a route.

[Okazaki] In the past, the issue has been something to do solely with a direct sortie of U.S. military forces. The U.S. military forces dispatched to the Gulf were those stationed in Okinawa that were moved to Diego Garcia. They say that, as Japan has nothing to do with this location, the military forces were not dispatched directly from Japan, but from Diego Garcia. During the Vietnam war, they could not bomb Vietnam directly from Okinawa. They had to move first to the U.S. Clark Air Force base in the Philippines.

[Iinuma] In relation to the regional security, there is a suggestion that instead of having the Japan-U.S. Security Treaty, we should create a multilateral security organization in the Asia-Pacific region, like the Conference on Security and Cooperation in Europe (CSCE). What are your thoughts on this?

Regional Security and a Regional Alliance

[Okazaki] Regional security has two facets. One is based on a traditional idea of the United States that an alliance and collective security are two different things. For example, when the United States was about to become a member of NATO, the Defense Department convinced the Senate by arguing that NATO was not a traditional alliance. NATO is a collective security organization that has no hypothetical enemies. Collective security means that if everyone agrees and adheres to the rules of the game, peace will be maintained. Though, saying that NATO is that kind of an organization seems clearly far-fectched. Therefore, in the case of the quadripartite treaty among the United States, England, France, and Japan after the annulment of the Japanese-Anglo Alliance, for example, if each country adhered to the rules, that would be sufficient. This kind of idea about regional security is shared by some in the United States.

In fact, although this has not been stated publicly, there is an opinion that, instead of having the Japan-U.S. Security Treaty, we should create a quadripartite alliance among Japan, the United States, China, and Russia. According to this opinion, if these four countries make rules and adhere to them, Asia will be in peace.

I don't mind having a collective security organization and dialogues on regional security. But, such an organization can never substitute an alliance. If we terminate our alliance and try to move on to this avenue, that will be tantamount to the quadripartite treaty in 1922, or the treaty of Locarno. That's meaningless.

Aside from that, there is an opinion that we should combine everything, including the treaty between Japan and the United States and that between Japan and Korea, to create a regional alliance, just like NATO. This kind of an idea has long existed within the National Military Establishment in the United States. I am for it, but we must first solve the problem of the right for collective defense.

[Iinuma] Is it like a security alliance among multiple countries?

[Okazaki] Like creating a treaty of alliance among Japan, the United States, and Korea.

[Iinuma] Can it replace the Japan-U.S. Security Treaty?

[Okazaki] Yes, it can.

[Kitaoka] The United States has a long tradition of not wanting to be bound by treaties. Even in the case of the quadripartite treaty, the United States opposed strongly against a tripartite treaty among Japan, the United States, and England. Then, as France was popular at that time, it was included in the treaty. The United States even eschewed an Anglo-American alliance.

Another point is that the United States is a two-ocean nation (exposed both to the Pacific and Atlantic Oceans), and a relatively safe country. Therefore, I think the United States tends to subscribe to isolationism and separatism. But, what needs to be stressed here is that

CSCE could be useful in generating mutual trust and preventing conflicts before hand, but it would not be able to function as a complete deterrent or to cope with emergency situations.

A CSCE-Type Organization Is Questionable in Asia

[Shimada] Regarding a combination of multiple countries in an alliance and the case of CSCE, I think such an idea can come up easily among those countries that share common attributes and history as do westerners. But, is this possible in Asia? Especially because Japan will be involved, I wonder whether it is possible or not. First of all, in terms of culture, history, and the level of economic development, the countries [in Asia] are very different from each other. And, the current situation shows that these countries are suspicious of each other.

That being the case, although this is a traditional argument, I think that the current approach — getting the United States involved and maintaining an indirect sense of security by creating a bilateral network under the American umbrella — is most realistic. I feel that this is the only way, even for the immediate future.

[Okazaki] But, according to the Wilsonian philosophy, all these countries must get together, simply because they are different and suspicious of each other.

[Shimada] Is it possible to overcome a certain sense of suspicion and distrust held by Asian countries toward Japan?

[Okazaki] Korea and Chinese-dominant countries, such as China and Singapore specifically, will never be able to erase the sense of distrust toward Japan. The other countries will be able to eliminate their feelings of suspicion and distrust toward Japan. For example, Thailand would welcome it if Japan decided to have airplanes capable of carrying tanks. Malaysia and Indonesia would not oppose it, neither would the Philippines. Therefore, using the word, Asia, is misleading; the fact is that the problem lies with Chinese-dominant countries. No matter what Japan does, this problem cannot be solved. It is not an issue of emotion, like something to be understood, but that of strategies. It has nothing to do with time, either.

Against a Quadripartite Treaty Among Japan, the United States, China, and Russia

[Kitaoka] It is often said that Japan is not surrounded by friends. It can't be helped, because to the east of Japan lies the United States, to the north lies Russia, to the west lies China — in terms of economic power, military power, geographic conditions, and so on, all these countries are superpowers. These countries act independently; they tend to be self-absorbed and lack the willingness to cooperate with other countries, like acting as one of them in the international community. Therefore, if Japan forms a partnership with the United States, China, and Russia, and if one of them decides to break away from the partnership to pursue independent actions, Japan will be left in the lurch. Therefore, I oppose the idea of a quadripartite treaty among Japan, the United States, China, and Russia. The crucial issue for Japan is how to create a cooperative security arrangement by taking into account all these conditions.

[Iinuma] As benefits of the Japan-U.S. security system, what did the United States gain? What does it gain now and in the future?

Would you comment on this point?

[Kitaoka] In terms of the economy, the United States has nothing to gain or lose by advancing or withdrawing. Japan is a base that is extremely effective and inexpensive. But, the United States is a very changeable country. We don't know when the public in the United States might say that it is not necessary to maintain the naval capability of this magnitude. If that happens, it is no longer valid to have an argument that advancing forward is not too expensive.

Second, some people say that as the United States has a great economic interest in Asia, it will not abandon its military presence. But, even without such military presence, I think it possible for the United States to use its political power to have enough economic advance in Asia. Therefore, although I think the United States is getting some benefits from the Japan-U.S. Security Treaty, it will suffer much less than Japan if the treaty is annulled. The United States will be able to get by without the treaty, but we will suffer tremendously.

The "Cork-in-a-Bottle Theory" Is Meaningful

[Okazaki] After all, the "cork-in-a-bottle theory" is meaningful to the United States. The country that objected most strongly against the annulment of the Japanese-Anglo Alliance was Australia. Australia wondered, if the alliance was annulled, how its security would be protected. In other words, with the Japanese-Anglo Alliance, Japan was a friend to Australia, but once Japan and England became foes, what would happen to Australia? In the end, Australia's fear became reality. Regrettably, the same can be said about Japan's relationship with Southeast Asian countries.

Regarding the possibility of withdrawal of the U.S. military forces stationed in Japan, in the final analysis, I don't think it will happen. To be sure, there will be arguments for withdrawal because of the cost of maintaining overseas forces, or due to strengthening of the isolationistic tendency. But, when it comes to the level of specialists at the end, it will become clear that there is much less reason for keeping U.S. forces in Europe. Do you remember that it was decided to maintain 100,000 soldiers each in Europe and in the Far East? Subsequent to the withdrawal of the Soviet forces, the only reason cited for keeping U.S. forces in Europe was that the F-15 warplanes that arrived first during the Gulf crisis, came from the base in Germany. But, that can be accomplished by keeping about 10,000 soldiers there, and if this point is made clear, it will be easy to refute the reason for keeping U.S. forces in Europe. In the case of Japan, Russia is always there as a neighboring country.

[Kitaoka] I think specialists would certainly arrive at that conclusion. But, these specialists have sectional interests (jurisdictional interests within the government). Therefore, if they are criticized in this area by the public, they will be in a weak position.

[Shimada] According to Mr. John Reily, a member of the Diplomacy Council in Chicago, whom I met the other day, the results of recent surveys indicate that the U.S public opinion toward Japan has not deteriorated much, but rather it has improved from previous results. He says that assessment of Japan-U.S. relations by the U.S. public is not based on the Japan-U.S. relationship, but rather it is basically related to the American economy.

[Kitaoka] I think that the U.S. criticism of Japan is roughly a function of the U.S. unemployment rate.

Do What You Promise To Do

[Shimada] He says that when things are not going well at home, they [Americans] tend to think that there are some disagreeable people across the Pacific Ocean. If that being the case, the best thing to do is to improve the American economy. Along this line of reasoning, the security treaty relationship and the economies are two sides of the same coin, and economic cooperation between Japan and the United States is very important.

Therefore, in terms of Japan's political behavior, what's extremely important is to do what is promised.

At present, I think the issue of deregulation has many causes of problems. The Murayama administration announced that it would request the entire world to submit wishes regarding our deregulation. Then, a huge number of wishes poured in. The United States in particular sent in a very well-organized report, and two-thirds of the report are devoted to the process to ensure deregulation, including such wishes as making information available and transparent. But, in fact, all these are ignored in recent deregulation.

[Iinuma] Article 2 of the Security Treaty mentions promotion of close economic cooperation. In economic areas, this point can be linked to the issue of deregulation just mentioned, or at least to improvement in trade balances to a certain extent — I think it quite likely to see such an argument in the future.

[Kitaoka] That point was purposely brought forward during the process of revising the treaty. In a treaty of alliance, security issues are normally stated first. But, Article 1 discusses the United Nations, Article 2 is about systems based on freedom, and Article 3 is about security issues. All this was quite intentional, and was considered important by Japan at that time, as well.

[Shimada] Since the end of the Cold War, the two countries [Japan and the United States] have been in a face-to-face relationship. When we were joining our hands and facing against the Soviet Union, we tolerated each other's shortcomings to a certain extent; economic issues didn't come to the fore. After the end of the Cold War, our relationship has not been like that.

Now, economic issues come to the forefront.

[Iinuma] So, what you are saying is that this linkage didn't come to fore directly in the past because of the Cold War structure.

Promises and Truthfulness Are Being Ignored

[Shimada] Although it didn't come to the surface, it was important under the Japan-U.S. Security Treaty. It is quite rare among international treaties of alliance to have economic issues mentioned first. The relationship between Japan and the United States is defined in terms of economic linkage. At last, therefore, this linkage is extremely important both as an official statement and as an undercurrent. Japan must become serious about this economic relationship more than ever.

Like not making clear about the strategic direction of the security treaty, and like not explaining about the reason for the wholesale change in the party platform, it is the matter of trust in mutually pursuing economic relations. Such matters as logical promises and faith are beginning to be ignored completely. I think the U.S. side is quite exasperated by this.

[Iinuma] Economic issues, security issues, and strengthening of various systems for freedom — all these are interrelated as one unit, and here lies the essence of the Japan-U.S. Security Treaty. We must try to recognize this point carefully again.

Kono Urges France To Continue Nuclear Test Ban

OW2405012095 Tokyo KYODO in English 0037 GMT 24 May 95

[FBIS Transcribed Text] Paris, May 24 KYODO — Japanese Foreign Minister Yohei Kono urged France on Tuesday [23 May] to refrain from conducting nuclear tests despite China's continued testing.

Kono made the request during a meeting with new French Foreign Minister Herve de Charette, Japanese officials said.

China's latest nuclear test staged May 15, days after the nuclear Nonproliferation Treaty (NPT) was extended indefinitely with Beijing supporting it, "tremendously impairs the confidence of nonnuclear nations," Kono was quoted as telling the French foreign minister.

De Charette replied that France's nuclear force is based on the assumption that it will not be used in practice, the officials said.

France will decide on its policy regarding nuclear tests after experts conclude whether it will be possible to obtain data needed to maintain its nuclear arsenal without such tests, he added.

New French President Jacques Chirac is known to favor nuclear tests but he has not made clear if France will abandon the current test moratorium, imposed voluntarily together with the three other declared nuclear powers of the United States, Britain and Russia.

The Japanese and French foreign ministers agreed in principle to promote the exchange of diplomats between the two countries, the officials said.

Kono was in Paris to attend an annual ministerial meeting of the Organization for Economic Cooperation and Development.

Export-Import Bank Approves Loan to Russia

OW2305133095 Tokyo KYODO in English 1236 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — The Export-Import Bank of Japan announced Tuesday [23 May] it has inked an agreement with the Moscow-based Bank for Foreign Trade of the Russian Federation (Rosvneshtorgbank) to loan 4.2 billion yen [Y] in connection with a microwave oven project.

The credit will be used to help a Russian corporation purchase from Japanese businesses a plant to manufacture microwave ovens for household use, the bank said.

The loan is part of a 600-million-dollar package of export credits Japan promised to give to Moscow in a meeting of finance ministers and central bankers of the Group of Seven (G-7) industrial powers in April 1993, it said.

The export credit package itself is a part of the overall aid package Japan agreed to provide to Russia, it added.

IHI To Give Cargo Ship Blueprint to China

OW2305150395 Tokyo KYODO in English 1106 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Ishikawajima-Harima Heavy Industries Co. (IHI), a major Japanese shipbuilder, will provide the blueprint for its advanced general cargo ship to a Chinese company, IHI officials said Tuesday [23 May].

IHI will give the design and drawings to Guangzhou Shipyard International Co. as part of IHI's exporting strategy to cope with the yen's recent rise, they said.

The advanced seafarer 26 is an alternative to the firm's popular F-series cargo ship, of which nearly 300 have been made so far.

The seafarer 26, with 25,700 deadweight tons, is about one and a half times larger than the F-series model.

IHI Marine International Co. (IMI), a subsidiary of IHI, received an order for two vessels from a shipowner in the Czech Republic and will have the Chinese company construct it.

China is the world's third-largest shipbuilder after Japan and South Korea. Guangzhou Shipyard International, the fifth- or sixth-biggest shipbuilder in China, and IHI have had a tie-up for some 10 years, the officials said.

IHI hopes to receive more orders from Europe and Asia using this method, a company spokesman said.

Editorial Urges PRC To End Nuclear Testing

OW2205211295 Tokyo YOMIURI SHIMBUN in Japanese 19 May 95 Morning Edition p 3

[Editorial: "China's Nuclear Test Breaks International Harmony"]

[FBIS Translated Text] Early this week, China defiantly conducted its 42d nuclear test. The high-handed action by China stimulated the nerves of the international community, and we have to say it was a truly regrettable event.

The Chinese nuclear test came right on the heels of the international community's agreement last week to indefinitely extend the nuclear Nonproliferation Treaty (NPT). As a matter of fact, the NPT is not really welcomed by nonnuclear states, because it is an unequal treaty designed in favor of the nuclear countries.

However, the nuclear have-nots approved the treaty's indefinite extension primarily based on the recognition that an increase in the number of countries with nuclear weapons poses a threat to world peace. Moreover they expected that the existing nuclear states would make sincere efforts to promote nuclear arms cuts.

The "principles and objectives of nuclear nonproliferation and disarmament," adopted along with the permanent extension of the NPT, calls for a treaty on a total nuclear test ban before the end of next year. At the same time, the resolution requires the declared nuclear powers to exercise utmost restraint in conducting nuclear tests until the test ban treaty takes effect

China's nuclear test represents a grave infringement of faith against the international community and tramples the feelings of many countries that have expressed compliance with international cooperation in promoting nuclear disarmament and nonproliferation by indefinite extension of the treaty. Therefore, it is only natural that many countries criticized China for its latest nuclear test. We should point out that China's external image was badly damaged by the test.

All other declared nuclear states, including the United States and Russia, have frozen nuclear tests since September 1992. China, however, conducted tests four times during the period — in October 1993, June and October 1994, and early this week. The Japanese Government has urged China to exercise self-restraint, but its call has always been ignored. Military sources believe that China intends to modernize its nuclear weapons, such as by the miniaturization of warheads.

The Chinese Government insisted: "The number of China's nuclear tests is smaller than the respective total number of those conducted by the United States and Russia. So it is unfair that China is asked to stop tests at this juncture." Then what does China think about the position of the nonnuclear states who are resigned to accept the fundamentally unequal treaty from a wide viewpoint of world security and peace?

China's assertion cannot be admitted because it ignores the position of many nonnuclear states. China should get rid of the obsolete Cold War thinking pattern based on a power game between nuclear superpowers. Beijing is urged to understand that the world is moving into an era in which world peace should be promoted through international cooperation.

If China continues nuclear tests and promotes modernization of its nuclear arsenals, it will increase concern on the part of neighboring Asian countries and the entire international community as well. And it will dampen the mood for promoting negotiations on a total nuclear test ban treaty, thereby delaying the conclusion of the treaty.

Last year, Japan decided to provide China with 580 billion yen as the first of two installments of its fourth yen-based loan program. As a principle for provision of official development assistance (ODA), Japan makes it a rule "to carefully monitor whether a recipient country is developing and producing weapons of mass destruction."

Representing the Japanese Government, Administrative Vice Foreign Minister Kunihiko Saito summoned the Chinese Embassy's charge d'affaires Wu Dawei, and expressed regret over the test. Saito told Wu that the test "may influence Japan's overall relations with China, including Japan's economic cooperation." This is a "warning" based on Japan's ODA principle.

We believe it is indispensable to maintain smooth Japan-China relations. But given the latest Chinese nuclear test, there will naturally arise a public voice calling for reexamination of ODA programs for China. China is strongly urged to freeze its nuclear tests.

DPRK Delegation To Seek Rice From Tokyo

OW2305091795 Tokyo KYODO in English
0748 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Senior North Korean officials are scheduled to arrive in Japan on Wednesday seeking to purchase Japanese stores of rice, sources close to Japan-North Korea relations said Tuesday [23 May].

The delegation, which will include Yi Song-nok, chairman of North Korea's International Trade Promotion Committee, is scheduled to meet with Former Foreign Minister Michio Watanabe to renew their request to purchase the rice, the sources said.

The purpose of the visit has not been formally disclosed, but the group hopes to push forward talks on purchasing the crop that was imported from Thailand and China following Japan's poor harvest in 1993, the sources said.

Foreign Minister Yohei Kono earlier indicated that it would be "difficult to offer aid to a country that does not have diplomatic relations (with Japan)."

Watanabe, who led a ruling party coalition team to North Korea at the end of March, told a group of followers last week that he hoped to see the extra rice sold to North Korea.

According to the Japan-North Korea sources, Pyongyang sounded out Tokyo on the possibility of buying the rice stores this spring before the coalition delegation made its trip.

The government, however, did not appear ready to ease its stance against selling to North Korea at that time and North Koreans did not bring the issue up during the team's visit.

According to the Food Agency, Japan currently holds about 840,000 tons of rice in storage. Due to a bumper harvest last year, about 600,000 tons are stored for animal feed and some 70,000 tons are kept for industrial and food processing uses.

The agency said the exports would be possible with permission of the farm minister.

OECF To Invest in Indonesian Pulp Project

OW1905232395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 May 95 Morning Edition p 1

[FBIS Translated Text] The Overseas Economic Cooperation Fund [OECF] will finance projects for pulp factory construction and afforestation in Indonesia's Sumatra Island as its first investment in a developing nation's environmental conservation project. The project aims at providing technologies for afforestation, drainage, and desulfurization.

The OEFC will provide financial support through $45 million worth of investment in a joint investment company to be established by Nippon Paper Industries and Marubeni Corporation. It plans to sign a contract on the investment with the Indonesian Government this week. With the contract's completion, this will be the first large scale pulp production project based on joint capital of the Japanese Government and private sectors to be implemented in Asia.

Marubeni and Nippon Paper plan to jointly provide $55 million in the investment company, "Japan Sumatra Pulp," which will be financed by the OECF, and the total amount of capital will reach $100 million. The company will go into operation this fall and will invest in a pulp production company established by the Indonesian Government and local enterprises.

The project includes plans to afforest wasteland in Sumatra and eventually to use the trees as raw materials for pulp production. The project will not only develop large tracts of greenery but will also provide the latest antipollution technologies. For example, Nippon Paper will provide exhaust and drainage facilities and desulfurization equipment for the pulp factory.

The factory will go into operation in 1997 and is expected to manufacture 450,000 tons of products annually. The products will be exported to Japan and other nations so as to boost Indonesia's foreign exchange earnings.

The OEFC is mainly engaged in providing loans for developing nations (yen loans) as a government-affiliated financial body on one hand, and is also authorized to invest in projects that are mainly in the nature of economic aid. It has invested in projects related to natural resource and social capital development.

The OEFC intends to take a positive stance on environmental projects based on the experience with loans for this pulp factory construction project.

EPA Chief Interviewed on Foreign Investment

OW2205111395 Tokyo YOMIURI SHIMBUN in Japanese 20 May 95 Morning Edition p 7

[FBIS Translated Text] Prior to a ministerial meeting of the Organization for Economic Cooperation and Development (OECD) set in Paris on 23-24 May, Masahiko Komura, director general of the Economic Planning Agency [EPA], granted an interview to YOMIURI SHIMBUN on 19 May.

Concerning the fact that a decision on launching talks for the Multilateral Agreement on Investment (MAI) will be made as part of efforts to strengthen the multilateral trade system, he stated: "Preferential tax and financial measures and deregulation will be promoted to activate investment in Japan. A statement welcoming foreign investments in Japan will be issued soon."

Touching on the U.S. announcement of a tentative sanction list on Japanese-made automobiles, he said: "Since we have always respected the United States for its leadership in promoting the free trade system, I think that such unilateral action is extremely regrettable. It is unfortunate for the reputation of a great power." He criticized as the U.S. measures as unilateral.

Speaking on the current exceptional regulations on foreign capital imposed on mining and other industries, he indicated the government's decision to ease the regulations from the standpoint of boosting direct international investment.

The following is a summary of the interview.

[YOMIURI SHIMBUN] Since a decision on starting the MAI talks will be made, Japan is expected to be asked to promote investment.

[Komura] I think that direct investments in Japan will contribute to Japan's economic revitalization and increase exports. However, the gaps between foreign investment in Japan and Japan's investment in foreign countries remains very wide. A conference on promoting investment in Japan, which was set up last year, is actively looking into preferential tax and financial measures as well as providing information. We would like to issue a statement welcoming foreign investments in Japan. We intend to promote measures for investment liberalization, including deregulation for mining and other industries (which have regulations on foreign capital).

[YOMIURI SHIMBUN] Do you think some kind of accord on the foreign exchange issue will be reached?

[Komura] It is commonly understood that the current foreign exchange level does not reflect economic fundamentals and it is mainly caused by the huge financial and current-account deficits of the nations whose currencies are depreciating. I would refrain from making any remarks on whether any accord on this issue will be included in the communique. However, I hope the meeting will touch on the currency issue. I will clearly present Japan's position and demand that policies which can gain the market's trust be taken.

[YOMIURI SHIMBUN] Do you think demands on Japan relating to its current-account surplus and economic measures will be voiced?

[Komura] Japan's current-account surplus is following a downward trend. For example, the ratio of the surplus in FY94 to gross domestic product (GDP) is expected to be 2.7 percent, down from 3.4 percent in FY92. The government's emergency yen-curbing economic package was formulated to reduce the current-account surplus. It included measures for expanding domestic demands, front-loading of the five-year deregulatory plan, import promotion, and structural reforms. The government made the best effort to deal with the current situation. So, I think there is little possibility for any demands to be voiced.

Bank of Tokyo Head Sees Slow Decline for Yen

OW2405110695 Tokyo KYODO in English
0959 GMT 24 May 95

[FBIS Transcribed Text] Tokyo, May 24 KYODO — Bank of Tokyo Chairman Toyoo Gyohten [Gyoten] said Wednesday [24 May] he expects the yen to continue its slow decline for some time.

"Forces to correct the yen's excessive appreciation may be stronger (than those to the contrary) in the short term," Gyohten told a lecture meeting in Tokyo.

But Gyohten, who took up a position as senior adviser to the finance minister on Tuesday, said upward pressure on the yen will remain in the medium and long term due to Japan's accumulated current account surplus.

With regard to the internationalization of the yen, Gyohten said a system of more than one key currency will contribute to the stability of the world economy even when the dollar is weak.

To increase the international use of the yen, Japan should promote the convenience of the currency by stabilizing its economy and opening its market wider, said the former vice finance minister for international affairs.

Gyohten also said that benefits from the strong yen have hardly been felt due to the delayed opening of agriculture, distribution and other nontrade sectors.

BOJ Views World Economy in Monthly Report

OW2305142495 Tokyo KYODO in English
1048 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — The U.S. economy has continued to slow down notably in the household sector since the beginning of this year, the Bank of Japan (BOJ) said Tuesday [23 May] in its monthly report on the world economy.

Although there is a view that the U.S. economy could be put into recession, "we maintain our judgment that the economy is slowing down to a soft landing," a BOJ official said.

The slowdown was shown in personal consumption and housing investment, the central bank said. Personal consumption has been sluggish due to unfavorable sales of durable goods, such as cars and furniture, while housing starts have been flat.

The employment situation has been worsening. Nonfarm payrolls in April dropped for the first time in about two years and the unemployment rate rose to 5.8 percent in April from 5.5 percent in March.

But investment in plant and equipment has been steady, backed by active capital spending in the information equipment sector. The capital utilization rate in the manufacturing sector stood high at 83.5 percent in April.

"It is necessary to keep careful watch on prices," the BOJ official said. Due to higher crude oil prices and a rise in prices of perishables, producer and consumer prices in April rose by 0.5 percentage point and 0.4 percentage point, respectively, from the previous month.

In Europe, Germany and France have been enjoying moderate economic expansion due mainly to brisk capital spending, but the employment situations in both countries have not improved.

The British economy, by contrast, has been growing at a high pace, aided by exports and capital spending, though higher interest rates began having an adverse effect on housing investment and personal consumption.

BOJ on National Monetary, Economic Trends

*OW2305135195 Tokyo KYODO in English
1020 GMT 23 May 95*

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Japan's economy continues to recover but its pace is "extremely moderate" and the outlook is uncertain due to the yen's recent surge, the Bank of Japan (BOJ) said Tuesday [23 May] in a monthly report on the nation's monetary and economic trends.

"Our judgment on the present economy remains unchanged from a month earlier but the slowness of its recovering pace has become clearer," a central bank official said.

The official also said that economic prospects remain uncertain as full-scale adverse effects of the yen's appreciation are expected to emerge after summer.

In some sectors such as automobiles, there are moves to revise production plans slightly downward due to the yen's advance against the dollar and increasing overseas inventories, the official said.

The central bank will continue closely watching developments of recently widely fluctuating foreign exchange rates and their impact on the real economy, the official said.

"We will keep an eye on the tug-of-war between deflationary impact of a strong yen and our recent credit easing plus the government's fiscal steps such as the supplementary budget (for fiscal 1995)," he said.

Effects of an official discount rate cut on April 14 have gradually penetrated the economy, underpinning corporate earnings and helping prevent a deterioration in corporate confidence, the official said.

Personal consumption generally continues on a moderate upward trend with some fluctuations, the report said.

The official noted, however, that the momentum of recovery in individual spending on nondurable goods like clothing and services such as traveling remains weak.

Downturns in corporate capital spending have nearly come to an end but some leading indicators point to a dull pace in the recovery, the official said.

Public investment is expected to grow from now on to cover public works projects, including those related to reconstruction of areas hit by the Jan. 17 earthquake as well as disaster measures included in the extra fiscal 1995 budget, the report said.

The official said the expected increase in public investment is a bright factor for the future.

As for prices, the report said domestic wholesale prices turned to a downward trend again due to declines in prices for raw materials and competition from cheaper imports as a result of the yen's continued appreciation.

Expecting the feeble tone of prices to worsen, the official said the central bank will closely monitor price movements for fear of a so-called "homemade deflation" due to economic setback.

EPA Survey: Firms Struggling Under High Yen

*OW2405093095 Tokyo KYODO in English
0910 GMT 24 May 95*

[FBIS Transcribed Text] Tokyo, May 24 KYODO — Only one of every 200 Japanese exporters believe they can break even at exchange rates in the range of 80-89 yen to the dollar, according to findings of a survey released Wednesday [24 May] by the Economic Planning Agency (EPA).

The survey also found that the so-called "hollowing out" of Japan's industrial base is picking up steam under the effects of the strong yen, the agency said.

The agency conducted the survey in February among 1,941 companies listed on the Tokyo, Osaka and Nagoya stock markets, excluding financial institutions and insurance companies. Of these, 65.0 percent responded.

The survey found that only 0.5 percent of exporters consider it possible to break even at exchange rates in the range of 80-89 yen to the dollar, the EPA said. On average, exporters set 107.80 yen as their break-even point.

On an all-industry basis, 0.2 percent of all respondents replied that they can turn a profit at the current exchange level, the EPA said. Among other break-even points listed, exchange rates ranging from 100 to 109 yen were picked by 37.3 percent of the respondents, the 110-119 yen range was picked by 30.1 percent, and the range of 120-129 yen by 14.2 percent, the EPA said.

The survey also found that 48.3 percent of manufacturers shifted production to overseas plants in fiscal 1994 to cope with the effects of the strong yen, up from 47.4 percent the previous year, the EPA said. The ratio is expected to rise to 55.8 percent in fiscal 1999.

As a result of the increased shift away from domestic operations to overseas production, 91.6 percent of the manufacturers recognized an advancement of the trend, the EPA said.

In addition, 64.9 percent said a "partial hollowing out" is acceptable while 11.4 percent replied to the contrary, it said.

EPA Slow in Compiling Benefits of High Yen

OW2305132595 Tokyo KYODO in English 0726 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — The Economic Planning Agency (EPA) is having difficulty in compiling a national survey on the effects of the yen's surge on Japanese prices that is to be released at the end of may, EPA sources said Tuesday [23 May].

This is because the survey, involving a number of ministries and agencies, must be completed in one month, compared with two months for the previous survey in 1993, the sources said.

In particular, the Ministry of International Trade and Industry (MITI) and the Agriculture, Fisheries and Forestry Ministry are required to gather price data on a large number of items, the sources said.

The EPA is compiling the survey on the basis of data being gathered by various government departments, after the government approved on April 14 a wide-ranging economic package to fight the yen's surge.

The EPA will try to meet the end-of-May deadline by seeking the cooperation of other government departments, the sources said.

So far the EPA has received only limited price data, including costs of package tours, they said.

Nemoto Advocates Shift From U.S. Orientation

OW2405044995 Tokyo MAINICHI SHIMBUN in Japanese 18 May 95 Morning Edition p 3

[FBIS Translated Text] Newly appointed Nikkeiren [Japan Federation of Employers' Associations] Chairman Jiro Nemoto granted an interview to MAINICHI SHIMBUN just before Nikkeiren's ordinary general meeting on 17 May. In the interview, the chairman indicated his intention to establish a "human development class" with Nikkeiren executive members as lecturers. On international relations, he stressed that Nikkeiren will place emphasis on its relations with European nations, thus indicating the intention to shift its conventional management of economic circles, which attaches too much importance to the United States.

[MAINICHI SHIMBUN] It has been pointed out that the economic world is losing its significance. Given such a situation, what is Nikkeiren's role?

[Nemoto] In the past, during the process of labor-management disputes, Nikkeiren played its role of fighting the labor unions. But at present, our way of thinking is about 80 percent the same as the Japanese Trade Union Confederation [Rengo]. We want to jointly study with Rengo such issues as how the three "sacred treasures" — the lifelong employment system, seniority system, and a labor union made up of employees of different companies — should be adapted to face the 21st Century; how to create new business and job opportunities; and how to narrow gaps between domestic and foreign prices.

[MAINICHI SHIMBUN] When you were a deputy chairman of Nikkeiren, you took care of education issues. How do you view them?

[Nemoto] Fifty years have passed since the end of the war, and latent in our society is a trend in which people alienate each other. We will advocate reform of the current educational system designed to create a society that attaches importance to people's academic careers, in order to prevent people from being materialistic and to restore human nature. At the same time, we want to set up a "human development class" in which 32 Nikkeiren members who are in charge of policymaking will serve as lecturers, with the aim of beefing up human education in Nikkeiren member companies.

[MAINICHI SHIMBUN] Former Nikkeiren Chairman Nagano often made critical remarks about politics. What do you think?

[Nemoto] Every chairman has his own characteristics. The current situation wherein people feel ill at ease stems from a "mistake of synthesis." In other words, the Finance Ministry maintains a balanced financial policy with the Bank of Japan checking inflation, while economic circles restrain wage hikes. What they are doing is logical. To synthesize the work of those organizations is the role of politics. However, political leadership in synthesizing them has not been displayed well. When a regime is established, it is important for it to continue to exist. Management does not succeed if its top executives change five or six times.

[MAINICHI SHIMBUN] How do you think Japan's international relations should look?

[Nemoto] It is not good to merely maintain a policy that attaches importance to the United States. There are many points we have to learn from Germany, which acts as the leader of Europe and wherein political leaders have succeeded in forming a great alliance among political parties. Taking advice from the UK, whose people are also Anglo-Saxon, is one method to be tried before speaking to the United States. In Asia, many nations are falling behind in promoting democratization, and Japan's cooperation is a prerequisite. We want to come to grips with this issue with a compound eye.

JEIDA Predicts Output of Asian Electronics

OW2405094395 Tokyo KYODO in English
0912 GMT 24 May 95

[FBIS Transcribed Text] Tokyo, May 24 KYODO — The aggregated value of electronics output in other Asian countries will surpass that in Japan in 2000 in view of relocation of production bases by Japanese makers, an industry association forecast Wednesday [24 May].

The Japan Electronic Industry Development Association [JEIDA] said Japan's output of electronics goods is expected to expand at an annual rate of 1.6 percent to reach 200.7 billion U.S. dollars in 2000 from 179.9 billion dollars in 1993.

The combined output in other countries in Asia, including China, South Korea, Taiwan, Hong Kong, Singapore and Malaysia, is estimated at 213.9 billion dollars in 2000, up from 110.5 billion dollars in 1993, the association said.

The association forecast swift expansion of electronics production in the Asian region due to fast growing demand for computers.

The association surveys the long-term outlook for the industry in Japan and other parts of Asia every five years.

Industrial Output, Shipments Reported

Crude Steel: 'Brisk Sales'

OW1305065695 Tokyo KYODO in English
0606 GMT 13 May 95

[FBIS Transcribed Text] Tokyo, May 13 KYODO — Helped by brisk sales to Asian countries, Japan's crude steel output in fiscal 1995 is expected to top 100 million tons for the second straight year, government and industry sources said Saturday [13 May].

The industry sources said production for fiscal 1995, which began April 1, is estimated at 103 million tons, up from the 101.5 million tons recorded in the preceding year.

The Ministry of International Trade and Industry has upgraded its production outlook for the April-June period by 550,000 tons to 26.2 million tons.

The sources based the bullish outlook for fiscal 1995 on growing exports mainly to China and southeast Asian countries.

They said other major exporting nations such as the United States, European countries and South Korea have little to set aside for export in view of strong internal demand.

The sources said major Japanese steelmakers also have stepped up production to boost sales to China.

The steel companies decided to conduct export negotiations with China for individual shipments, starting in August, instead of the collective bargaining formula adopted in the past.

They also said the global steel market improved last summer, enabling individual steelmakers to increase production.

Some industry officials, however, expressed concern that the production boost will help increase inventories in view of sluggish capital investment by private corporations, except for the automobile and electrical industries.

Domestic sales account for about 70 percent of total output.

FY94 PC Shipments Show Increase

OW1705081895 Tokyo KYODO in English
0702 GMT 17 May 95

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Japan's overall shipments of personal computers (PCs) in fiscal 1994 soared 38.5 percent over the preceding year to 4,479,000 units, posting the sharpest year-on-year rise since 1985, an industry association reported Wednesday [17 May].

The Japan Electronic Industry Development Association said the shipments were valued at 1.14 trillion yen, up 27.9 percent.

Including peripheral equipment, the shipments are worth 1.64 trillion yen, up 20.2 percent, the association said.

It said exports accounted for 1,131,000 units worth 379.2 billion yen, up 32.5 percent in volume and up 14.3 percent in value.

Notebook PCs accounted for 98 percent of the total exports, while 63 percent of the total were destined for the North American market, the association said.

Despite the sharp increase in exports, Japanese manufacturers may be forced to shift their production overseas if the yen's value remains high, it said.

Domestic shipments climbed 40.5 percent in volume to 3,348,000 units, with their value rising 22.1 percent to 1.27 trillion yen, the association said.

The sharp increase was attributable to strong corporate demand for in-house computer networks as well as brisk demand from individual users ahead of the advent of the multimedia age, the association said.

FY94 Machine Tool Orders Show Rise

OW1005081695 Tokyo KYODO in English
0747 GMT 10 May 95

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Spurred by brisk exports mainly to the United States and Asian countries, machine tool orders received by Japanese makers in fiscal 1994 made the first upturn in four years, an industry association reported Wednesday [10 May].

The Japan Machine Tool Builders Association said orders received by Japanese machine tool makers totaled 632 billion yen, up 22.6 percent over the preceding year.

The association attributed the rise mainly to brisk demand from Asian countries and the United States, where the economy was picking up.

Domestic orders posted a 12.8 percent rise, compared with the year before, while export orders soared 36.4 percent, reflecting global economic recovery, the association said.

Of the domestic orders, general purpose machinery orders surged 21.2 percent while those for electronic and automobile industries posted a double-digit increase, it said.

Orders for computerized, numerically controlled machinery surged 27.9 percent but orders placed by shipbuilding and transport industries dropped 8.1 percent, the association said.

It said orders from schools and other public sectors plunged 57.7 percent.

The association said orders for machine tools began to pick up in June last year, led by external demand.

Association officials, however, said the strong yen has affected export orders since April this year.

In March, the association said, overall orders gained 28.6 percent over a year earlier to 65.4 billion yen.

Textile Makers To Step Up Finished Imports

OW2005055995 Tokyo KYODO in English
0508 GMT 20 May 95

[FBIS Transcribed Text] Tokyo, May 20 KYODO — Major Japanese textile makers are moving to step up imports of made-up textile goods from their production plants in Southeast Asia, according to company officials.

The imports are intended to compete with a flood of low-cost textile goods imports from South Korea and China, stemming from the yen's appreciation on the foreign exchange market, the officials said.

Toray Industries Inc. has established a foreign trade department to promote imports of shirts and other textile goods from its Thai subsidiary, beginning this fall, officials said.

Toray seeks 5 billion yen in annual sales of imported textile goods in the business year ending on March 31, 1996, the officials said.

Unitika Ltd. says it plans to triple its annual textile goods imports from its joint venture in Indonesia by the fall of 1996 by expanding the subsidiary's production capacity.

Teijin Ltd. is expanding its overseas production bases and says they may become major sources of its manufactured textile goods imports in the coming years.

The Japanese textile makers have been reluctant to promote imports from their overseas production bases, preferring to maintain domestic production activities.

MOF To Set Budget Ceiling After Jul Poll

OW2305041995 Tokyo KYODO in English
0337 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — The Finance Ministry [MOF] will set ceilings on requests by government ministries and agencies for the fiscal 1996 budget after July's House of Councillors election, Finance Minister Masayoshi Takemura said Tuesday [23 May].

Takemura said at a news conference after a regular cabinet meeting that it would be hard to set the budget ceilings before the election. "A final decision will be made by early August, in principle," he said.

The upper house election is expected to take place July 23, though a formal proclamation has yet to be made.

Takemura reiterated the government will not change its forecast of 2.8 percent economic growth for fiscal 1995, which began April 1, despite an international organization's downgrading of its economic outlook for Japan.

The Organization for Economic Cooperation and Development revised downward its growth forecast for the calendar 1995 real gross domestic product in Japan from 2.5 percent to 1.3 percent.

Takemura said that although the situation has become severe and has threatened the 2.8 percent forecast, the government will continue trying to attain the target by actively implementing the initial 1995 budget, as well as a supplementary budget for the year and the recently adopted emergency yen-curbing economic package.

S&T Spending in FY95 Extra Budget Revealed

OW1805141495 Tokyo MAINICHI SHIMBUN in Japanese 14 May 95 Morning Edition p 1

[FBIS Translated Text] The substance of the "special measures on science and technology [S&T] and telecommunications," which are one of the main features of the draft first FY95 supplementary budget to deal with yen appreciation, was made public on 13 May.

A total of 44 billion yen is being allocated for researches on the earth environment and genetic engineering at the state universities, and for creating new industrial sectors. The centerpiece in this category is the development of economic frontier areas involving cooperation between industry and the academe to deal with yen appreciation — for instance, through the allocation of 14.6 billion yen for the founding of the "Venture Business Laboratory" (a research institute) aimed at developing venture business by graduate schools of state universities. An appropriation of 6.6 billion yen is also included for national networks for improvements in the treatment of and research on heart diseases and other ailments of the circulatory organs.

Special appropriations for science and technology and telecommunications total 325 billion yen, and are expected to be approved officially at a cabinet meeting on 15 May. The objective of these measures is to correct the Japanese economy's bias in favor of exports in view of the present round of yen appreciation, and in the mid- and long-term, contribute to the reduction of the current- account surplus, a structural economic issue.

Specifically, 420 researchers from state universities will be sent to overseas research institutions in order to promote studies on 10 priority research topics in environmental science, genetic engineering and other areas, and to develop new industries. Furthermore, improvements in domestic research facilities and equipment and the development of new energy sources and biotechnology-based agriculture are also planned.

In relation to creating venture business by state universities, more than 1,500 researchers will be sent overseas, while foreign researchers will also be invited to Japan, in addition to the founding of the "Venture Business Laboratory."

On the other hand, with regard to the basic sciences and technological development, where Japan lags behind the Western countries, around 300 Japanese researchers will be sent overseas, and the same number of foreign researchers invited to Japan under an international academic exchange program.

High Officials on Second Supplementary Budget

Murayama Pledges Early Action

OW2405040295 Tokyo KYODO in English 0246 GMT 24 May 95

[FBIS Transcribed Text] Tokyo, May 24 KYODO — Prime Minister Tomiichi Murayama pledged Wednesday [24 May] to compile a second supplementary budget for the current fiscal year at an early date to boost domestic demand and help spur slow econmic recovery.

Murayama made the remarks in a meeting with business leaders at a Tokyo hotel, his aides said.

The leaders called on Murayama to put together another supplementary budget worth 10 trillion yen as part of the measures to soften the negative effect of the yen's appreciation that has hit exporters hard.

Murayama, however, later spoke more cautiously, telling reporters that he will decide on the appropriateness of the extra budget after studying the economic conditions.

The first supplementary budget has already passed the Diet.

Finance Minister Masayoshi Takemura has voiced a positive stance toward implementation of a second supplementary budget.

Takemura To Watch Developments

OW2405111695 Tokyo KYODO in English 0933 GMT 24 May 95

[FBIS Transcribed Text] Tokyo, May 24 KYODO — Finance Minister Masayoshi Takemura said Wednesday [24 May] he will watch developments in the domestic economy before working on a second supplementary budget for fiscal 1995.

The Finance Ministry will be flexible on the issue, he told a news conference.

A 2.7 trillion yen extra budget for fiscal 1995 designed to promote rehabilitation in western Japan following January's earthquake and to overcome the impact of the strong yen on the domestic economy was enacted last week.

He said he shared the view of Prime Minister Tomiichi Murayama that it would be premature to consider a cabinet reshuffle.

Murayama says he has no plans to change his cabinet for the time being.

Poll: Murayama Nonsupport Rating at Record High

OW2405091395 Tokyo TOKYO SHIMBUN in Japanese 23 May 95 Morning Edition p 2

[FBIS Translated Text] The nonsupport rate for Prime Minister Tomiichi Murayama's administration has climbed to a record high of 58.9 percent, down 1 percentage point from the previous month, according to the results of a monthly public survey compiled 22 May by JIJI PRESS. Results of the poll also showed the support rating for the Murayama administration at 39.1 percent, down 0.5 percentage point from last month. Thus, changes in the administration's support and nonsupport rates were only marginal. Asked which political party they supported, a record 58.9 percent of the respondents said they "supported no political party."

The survey was conducted 12-15 May by individually interviewing 2,000 voters across the nation. Of these pollees, 71.8 percent responded properly.

Regarding support for political parties, 57.8 percent has so far been the highest percentage of respondents who said they "supported no political party." This figure was registered last March. The latest figure exceeded this by 1.1 percentage points.

Looking at support rates for individual political parties, the support rate for Shinshinto [New Frontier Party] dropped to a record low of 3.2 percent. The support rate for the Liberal Democratic Party dropped slightly to 22.9 percent (compared to 23.2 percent last month). The support rate for the Social Democratic Party of Japan was 6.2 percent (6.1 percent last month), while that for the Communist Party of Japan was 1.6 percent (2.0 percent last month), and Sakigake [Harbinger] 0.6 percent (0.6 percent last month).

Kono Denies Cabinet Reshuffle Before Jul Poll

OW2405011995 Tokyo KYODO in English 0055 GMT 24 May 95

[FBIS Transcribed Text] Paris, May 24 KYODO — Japanese Foreign Minister Yohei Kono reiterated Tuesday [23 May] that Prime Minister Tomiichi Murayama will not reshuffle his 11-month-old cabinet before the July election of the House of Councillors.

Kono told reporters that Murayama, chairman of the Social Democratic Party [of Japan], agreed May 8 with Kono, head of the Liberal Democratic Party, and with Finance Minister Masayoshi Takemura, chief of New Party Sakigake [Harbinger], not to reshuffle the cabinet prior to the upper house poll. The three parties make up the ruling coalition.

"I have not heard any discussion on the matter since then or that the agreement was changed," Kono said in Paris where he is attending a ministerial meeting of the Organization for Economic Cooperation and Development.

He also ruled out a dissolution of the House of Representatives to have the next lower house poll held at the same time as the upper house election.

Expert Predicts Forced Murayama Resignation

OW2305141195 Tokyo EKONOMISUTO in Japanese 2-9 May 95 pp 93-95

[Article by political analyst Minoru Morita: "Another Round of Political Realignment May Soon Start as the Murayama Administration Will Face a Possible Crisis in May"]

[FBIS Translated Text] **Both the Liberal Democratic Party and the Social Democratic Party of Japan Suffered Defeats in the Recent Unified Local Elections**

Japan's political map has been affected seriously by the outcome of the recent unified local elections. Now, no one within the ruling coalition should be so foolish as to press for an early dissolution of the lower house under the current administration led by Prime Minister Tomiichi Murayama. Holding a lower house election under Prime Minister Murayama is equivalent to testing people's confidence in the Murayama government. Thus the exercise of a little common sense should enable ruling coalition members to realize that an early dissolution of the lower house for a snap election would be like committing suicide.

In the recent unified local elections, Japanese voters clearly expressed that they do not want collusion among political parties, by refusing to vote for candidates backed by both ruling and opposition parties. The landslide victory of unaffiliated celebrity candidates in the Tokyo and Osaka gubernatorial elections showed that Japanese people turned their back on political party leaders who had intended to deprive voters of their rights to choose by backing the same candidates.

The Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] were the two biggest losers in the local elections. Both parties sustained crushing defeats in most gubernatorial elections. LDP-backed gubernatorial candidates won in only two prefectures: Akita and Shimane. SDPJ-backed gubernatorial candidates also won in only two prefectures: Hokkaido and Akita. Both parties were defeated in the five most crucial prefectures, including Tokyo and Osaka. In Kanagawa, Fukui, Tottori, Fukuoka, Saga, and Oita, it cannot be said that the LDP and the SDPJ won the gubernatorial elections, because the winners were jointly backed by the ruling coalition and the opposition Shinshinto [New Frontier Party]. There were direct clashes between the LDP and the opposition Shinshinto in four prefectures: Hokkaido, Akita, Iwate, and Mie; and Shinshinto lost in only one prefecture: Akita. There is no doubt that the gubernatorial elections were a disastrous defeat for both the LDP and the SDPJ.

Both parties also suffered big losses in the prefectural assembly elections. The LDP ended up with only 1,275 seats, far short of the past record low of 1,382 seats it won in the 1987 local elections. For the first time, the LDP failed to secure 50 percent of the total prefectural assembly seats (it won 57.3 percent in the last local elections in 1991, while it could get only 48.9 percent this time). The LDP lost its majority in 25 prefectural assemblies out of 47. It also polled only 38.9 percent of the total votes, far short of the 46.6 percent it obtained last time. The LDP lost the absolute political power it maintained for the past 40 years at the local level.

The SDPJ also ended up with a record low of 277 seats, or 10.6 percent of the total of seats, far short of the 333 seats it obtained in the 1991 local elections, after which the then-chairman Takako Doi was forced to resign to take responsibility for the SDPJ's bad showing. The outcome of this year's local elections was really tragic for the SDPJ.

The 1995 unified local elections boil down to one thing — defeat of the LDP and the SDPJ. This is very important. Japanese voters demonstrated through the unified local elections that they have no confidence in the current coalition government that was formed in the summer of 1994. People knew that the current administration led by Prime Minister Murayama was nothing but the result of ultimate collusion among political parties.

The Situation Is Developing Toward the Resignation of the Murayama Cabinet

The LDP, the SDPJ, and Sakigake [Harbinger] renounced their own identity to create the current government. The Murayama administration was created as the result of an extremely irresponsible alliance of convenience between three political parties, which abandoned their basic ideologies and campaign pledges to that end.

Nine months have passed since the establishment of the Murayama government. Some LDP members have become conceited and arrogant as public criticism of collusion among political parties has grown weaker. They have begun to advance the following opinions: "Japan will again enter a new era of one-party rule by the LDP"; "If the lower house were to be dissolved now, the LDP would certainly win an overwhelming victory in the general election"; "The LDP will rise again like the phoenix at the sacrifice of the SDPJ."

However, this vain pride has been crushed by the results of the 9 April local elections. A senior LDP dietman said: "Most LDP lawmakers are now in a state of shock. The desire for simultaneous elections of the Diet's upper and lower houses has disappeared within the LDP, because it has become clear that it would be very difficult for the LDP to regain sole control of the lower house in the next election. Moreover, many members, particularly senior lawmakers, have become cautious as they have realized that, after all, no one can know what the next election will bring if the lower house is dissolved now. The major opinion within our party is that the next lower house election should instad be held after 1996."

His remarks seem to correctly reflect the current atmosphere within the LDP. The general feeling building among politicians is that the lower house will not be dissolved for a snap election under Prime Minister Murayama. In other words, the political situation is now moving toward the resignation of the Murayama cabinet en masse. When is the right timing for Murayama to step down? And how will the political map change? These two questions are now the focal political issues.

To Maintain the Current Framework or To Create a new Alliance Between Two Conservative Forces

The most immediate matter for the government is to implement effective economic policies. It is obvious that the Murayama cabinet is not competent to meet the task of rebuilding the national economy. The whole world is aware of its incompetence in economics. All policies implemented under the current government are nothing but makeshift measures aimed at prolonging the life of the Murayama administration.

The public image of the Murayama cabinet continues to deteriorate as the yen rises against the dollar while share prices fall on the Tokyo stock market. "The Murayama cabinet or the deity of poverty" is the new phrase in fashion among politicians, bureaucrats, businessmen, and news reporters.

It may safely be said that the bureaucrats have also abandoned the Murayama cabinet. When Kiichi Miyazawa was in power three years ago, the Japanese economy was also affected by a sudden appreciation of the yen against the dollar and a sharp decline in share prices. A bureaucrat who worked under Prime Minister Miyazawa explained the situation as follows.

"Prime Minister Miyazawa took matters very seriously. He often called the Ministry of Finance, the Ministry of International Trade and Industry, the Ministry of

Foreign Affairs, the Bank of Japan, as well as the leaders of the business world, and shouted: 'Do anything to stem the rise of the yen!' Although the current situation is more serious than that of three years ago, Prime Minister Murayama has done almost nothing until now. Bureaucrats are unable to take any action under such circumstances. Prime ministers under the LDP's one-party rule used to give economic matters serious consideration. Apparently, Mr. Murayama does not know anything about economics," he said lamentably.

Some business leaders and bureaucrats are now crying for another change of government, while the press and most politicians remain indifferent. Members of the ruling tripartite coalition continue to support a dull and incompetent Prime Minister who remains idle even when the entire nation is in peril. Meanwhile, members of the opposition Shinshinto do not feel like launching a severe attack against Prime Minister Murayama. There is a huge gap between a spiritless political world and the bureaucratic and business circles that call for another change of government.

However, the reality is that, behind the scenes there is a secret movement afoot to bring about another change of government. Such a movement exists within the LDP.

It is a matter of common knowledge that there was a change in leadership within the LDP at the beginning of 1995. Real power within the LDP passed into the hands of "Former emperor Noboru Takeshita and his Four Devas" after the establishment of the Murayama government in the summer of 1994. The Four Devas were LDP Vice President Keizo Obuchi; Ryutaro Hashimoto, minister of international trade and industry; Seiroku Kajiyama, former LDP secretary general; and Hiromu Nonaka, minister of home affairs. They remained the powerholders until the beginning of 1995.

The change occurred in February 1995, and real power moved into the hands of Koichi Kato, chairman of the LDP Policy Research Council. Kato, along with Taku Yamazaki (chairman of the LDP Diet Policy Committee) and Junichiro Koizumi (former minister of posts and telecommunications), leads the so-called YKK group within the LDP. Kato is also backed by LDP Secretary General Yoshiro Mori and LDP President Yohei Kono.

The tripartite ruling coalition has three different decisionmaking apparatuses. The most important is top meetings comprising LDP President Kono, SDPJ Chairman Murayama, and Sakigake leader Masayoshi Takemura. However, practically speaking, the decisive power does not reside among the three leaders. Top meetings are held only for the sake of formality.

The second important apparatus is meetings at the secretary general level comprising LDP's Mori, SDPJ's Wataru Kubo, and Sakigake's Yukio Hatoyama. Although decisions should substantially be made here, the secretary general-level meeting is not working properly, because of the bad relations between Mori and Kubo. The problem lies in the subtle antagonism between Prime Minister Murayama and Kubo. Murayama is, in effect, supported by the LDP rather than by his own party. Relations between Murayama and Mori are much better than relations between Murayama and Kubo.

The third important apparatus is meetings comprising Koichi Kato, chairman of the LDP Policy Research Council; Nobuyuki Sekiyama, chairman of the SDPJ Policy Board; and Naoto Kan, chairman of Sakigake's Policy Research Council. The fiscal 1995 budget bill was compiled by them. They have very close relations with each other. Kato is the boss. Many people consider Sekiyama and Kan to be Kato's de facto followers. "The fiscal 1995 budget bill was written by Kato. He gained strength because he did this important job alone," said a Finance Ministry official.

The anti-Takeshita camp of new LDP leaders, with Kato as the central figure, started to demonstrate its leadership openly in February when there was a big turmoil over the question of how to eliminate, consolidate, or streamline the nation's special corporations. The new power-holders contended with former Prime Minister Takeshita, Finance Minister Takemura, and Finance Ministry officials over this issue and struck a heavy blow upon them. Later, they also took the leading role in organizing a mission to Pyongyang. Until now, SDPJ members and former Prime Minister Takeshita had maintained the leadership in matters related to North Korea. In this way, Kato and Mori have won the status of "Prime Minister Murayama's brain trust."

However, the Kato-Mori camp has been affected considerably by the outcome of the unified local elections. Members of the former Takeshita faction have begun to press President Kono and Secretary General Mori to step down and take responsibility for the LDP's defeat in the local elections. Senior LDP members who were not satisfied with Kato and Mori have also joined the move. The anti-Kato-Mori camp also includes a small number of politicians who favor an alliance between two conservative forces, namely an alliance between the current LDP members and the members of the former Takeshita faction who defected from the LDP to form the opposition Shinshinto.

Another Movement To Create a Save-the-Nation Cabinet

Meanwhile, some members of the opposition Shinshinto are also trying to trigger another round of political realignment. The LDP's Kato is reportedly maneuvering behind the scenes to break up Shinshinto into two entities. Shinshinto's Seiichi Ota, who is said to be willing to leave the party, is very close to Kato. Moreover, some Shinshinto members, who once belonged to the former Takeshita faction, are looking forward to a historic reconciliation of all members of the former Takeshita faction.

Another important development within Shinshinto is the disagreement between former LDP members and former members of Komeito [Clean Government Party] and of the Democratic Socialist Party. The struggle between the two camps heated up over the question of backing a specific candidate in the recent Tokyo gubernatorial race. Former LDP members are now pressing former Komeito members to disassociate themselves from their local arm called "Komei," which had supported a gubernatorial candidate backed by the ruling coalition.

Those who favor an alliance between two conservative forces are secretly expecting to replace the Murayama administration with a save-the-nation cabinet which will be charged with the mission of overcoming the current economic crisis. For instance, there is an idea of creating a save-the-nation cabinet led by Michio Watanabe of the LDP, and triggering another round of political realignment based on the new cabinet. At the moment, this movement is still inconspicuous and supported by only a small number of politicians. However, it would immediately come to the fore if the economic situation were to worsen, and if there were loud cries for a change in government.

As a matter of course, the ruling coalition mainstream wants to keep the current political framework. It is aiming at splitting Shinshinto and isolating Ichiro Ozawa, while maintaining the alliance between the LDP, the SDPJ, and Sakigake. Meanwhile, the main faction within the opposition Shinshinto also wants to keep its party as it is.

The Murayama administration is expected to face the first crisis in May or June. The second crisis is expected to come after the July upper house election. Since Prime Minister Murayama will not be in a position to dissolve the lower house, he will have no option but to step down. There will be a keen struggle between those who want to keep the current framework and those who favor another round of political realignment, as soon as Murayama is set to resign.

It seems that there will no longer be a reason to avoid an early dissolution of the lower house for a general election once the Murayama cabinet resigns en masse. The two possible changes, namely the end of the Murayama administration and the dissolution of the lower house for a snap election, may be achieved earlier than people think. In any case, what is most important is to elect a new prime minister with sufficient knowledge of economics, as soon as possible.

Aum Member Allegedly Stole High-Tech Data

OW2405144595 Tokyo KYODO in English
1428 GMT 24 May 95

[FBIS Transcribed Text] Tokyo, May 24 KYODO — An Aum Shinrikyo follower belonging to the Ground Self-Defense Force (GSDF) stole high-tech data last year from a facility belonging to Japan's largest defense contractor, police sources said Wednesday [24 May].

The follower, described as a 27-year-old sergeant second class at the GSDF's elite paratroop unit, broke into Mitsubishi Heavy Industries Ltd.'s facility in Hiroshima Prefecture, western Japan, and took away copies of documents, the sources told KYODO NEWS SERVICE.

The follower was carrying a compact computer at the time, spawning allegations that he might have stolen a huge amount of information from computers at the facility, they said.

The data stolen might have included military information, such as designs for tanks, because Mitsubishi makes tanks, escort ships and fighter jets for the Defense Agency, they said.

The religious cult's "intelligence minister," Yoshihiro Inoue, is alleged to have instructed the robbery, the sources said.

Inoue, 25, is now under arrest on suspicion of murder and attempted murder in the March 20 Tokyo subway nerve gas attack that killed 12 people and left more than 5,500 others ill.

The follower in question is alleged to have become acquainted with Inoue two years ago through Yoshihisa Shirai, a colleague at the paratroop unit who is also a cult member and has been indicted on a charge not linked to the subway case.

Shirai, 26, was fired in late April for his involvement in a firebomb attack on an Aum building last March which was allegedly designed to confuse a police probe into the cult.

A Defense Agency official refused to comment on the case. "We can't comment in detail because it is now under investigation," the official said.

The Defense Agency has acknowledged Self-Defense Forces (SDF) members are among Aum Shinrikyo followers and has punished three officers so far for their links with the cult.

In addition, three former SDF members who are Aum followers have been arrested for crimes linked to the cult.

Arrested Aum Cult Leader Hayakawa Featured

952B0174A Tokyo SHUKAN ASAHI in Japanese 5-12 May 95 pp 22-26

[Article by special reporting team]

[Text] Kiyohide Hayakawa, who is purported to have been instrumental in arming Aum Shinrikyo, and who is said to call the shots from behind the scenes, was arrested before dawn on 20 April. Officially, he bears the seemingly innocent title of the sect's "minister of construction," but his duty is to establish an "Aum nation." The sect's leader, Asahara, values Hayakawa's abilities. What do we know about this mysterious figure?

On the evening of 31 March, the day after a sniper shot at the director general of the National Police Agency, Kiyohide Hayakawa (45) was stopped by a police officer in front of the Kaminarimon in Asakusa, Tokyo, for questioning. Hayakawa had had the temerity to stop his Toyota Century on a main road.

Hayakawa replied, "I just left it for a minute. I had to go to the toilet."

He was asked to show his driver's license, but didn't have it with him. Driving without a license is against the law, even though he wasn't actually driving his car when the officer spotted him.

Hayakawa whipped out his business card, which reads, "Kiyohide Hayakawa, Director, Construction Division, Aum Shinrikyo," and handed it to the officer. He didn't protest when the officer proceeded to search his automobile, and voluntarily opened his bag for inspection.

We doubt that Hayakawa's cooperative attitude influenced the police officer, but Hayakawa was released. His automobile was impounded and taken to the Asakusa Police Station. He had just returned from a trip to Russia. After he was released, the police lost track of him.

On 18 April, the Kumamoto Prosecutor's Office requested that Hayakawa's bail be rescinded.

Hayakawa resurfaced on 19 April, the day after the newspapers reported that his bail had been rescinded. He appeared on a television show broadcast at 2300, "News 23" on TBS.

The show's producer told us how Hayakawa came to appear on the show.

"Some time ago, we had asked Aum Shinrikyo if we could interview Hayakawa. Then, out of the blue, we got a call from them on the afternoon of the day the program was scheduled to air. They said that we would be permitted to interview him at the sect's Mt. Fuji headquarters in Fujinomiya. We had to hustle to get our broadcasting equipment there in time."

Hayakawa was interviewed by Tetsuya Chikushi and other journalists for approximately 30 minutes. During the interview, he denied being the leader of secret troops. He also denied being involved in the sarin gas incidents, the illicit manufacture of guns, abductions, and acts of unlawful imprisonment.

When asked, "Do you anticipate being arrested during the course of the investigation?" Hayakawa replied, "There is no reason to arrest me, but I'm aware of the possibility." He seemed resigned to the eventuality. When the taping was over, one of the journalists attempted to ask him another question, but Hayakawa replied, "I've talked enough," and retired to an inner room. At the same time, police investigators were also on the premises. Hayakawa was arrested at 0018 on 20 April.

During the course of their investigation, the Metropolitan Police Headquarters came to suspect Hayakawa of having driven to a parking lot underneath an apartment building in Akasaka, Minato Ward, Tokyo, with Tetsuya Kibe (39), the sect's defense minister, and two others, and leaving his car there without authorization.

In his car, the police found rifle parts which appear to be modeled on the Kalashnikov automatic rifle, a product of the former Soviet Union, and live ammunition. Located in the same apartment building is United World Trade Industries [sekai toitsu tsusho sangyo], of which Hayakawa is president. When they went to search the premises, the Metropolitan Police discovered people removing gun parts from the office on orders from Hayakawa, who feared the police would find them. Hayakawa had fled when the police car arrived.

Hayakawa is the Aum Shinrikyo's minister of construction. However, his duty is not merely to oversee the sect's land holdings and buildings, but to build a prosperous and militarily strong Aum nation. Also on the sect's Construction Ministry staff are Kiyohide Nakata (47), who formerly held a position of leadership in an organized crime group, and Furukawa (23), who had been planning a target-shooting tour of Russia. It is assumed that Tetsuya Shibe, the sect's defense minister, Tomomitsu Niimi (31), its home affairs minister, and Yoshihiro Inoue (25), its intelligence minister, all answer to Hayakawa.

Hayakawa's "holy name" is Tiropa. It means "the consummate ascetic," and was bestowed upon him by Supreme Master Asahara, who reportedly commented, "I gave it to him because he seems to like asceticism." The sect's magazine, MAHAYANA, awards Hayakawa its highest praise: "Without Master Tiropa's efforts, there would be no Aum Shinrikyo." It also mentions Hayakawa's dedication and hard work: "Master Hayakawa has accomplished a great deal, and has become so indispensable to Aum that he hasn't had much time to devote to religious training."

Thus, though Hayakawa's power is second only to that of Asahara, he holds only third rank among the sect's spiritual leaders, that of *seigoshi* [master of true enlightenment], because his worldly duties have occupied so much of his time. The sect's members call him *oyaji* (boss), which expresses both their respect for and awe of him.

Hayakawa, born in 1949, is a member of the baby boomer generation. His home town is Sakai City in Osaka Prefecture. He is the only child of an employee of a small factory.

One of his high-school friends comments, "He was a helpful sort, and underclassmen looked up to him. He had an ugly side, though. When things didn't go the way he wanted them to, he would sometimes resort to violence."

At Kobe University's Department of Agriculture Hayakawa specialized in the cultivation of flowers and vegetables. He belonged to the aviation club. Starting in his junior year, he began auditing courses at the University of Osaka Prefecture.

One of his college classmates told us that "Hayakawa told me that he preferred making his own designs, where he was in control, to agriculture, which is so vulnerable to the whims of nature." After Hayakawa graduated from Kobe University, he entered the graduate program in agricultural research at the University of Osaka Prefecture, where he specialized in afforestation engineering. He was hired by a leading civil engineering firm, where he worked in the Development and Design Department of the Civil Engineering Division.

One of his coworkers at the firm reports that "Hayakawa was responsible for developing golf courses and residential sites. He was really sharp. He liked science fiction and books about supernatural powers, and was always reading them."

Recipient of Special Treatment

After he had worked at the civil engineering firm for five years, Hayakawa changed jobs, moving to a design consultant in Osaka, because he wanted to specialize in design. At about that time, he married a woman two years his junior, who is still is wife. They have no children.

He joined Aum Shinrikyo in 1986, when he was in his mid-thirties. His account of how he became a member appeared in MAHAYANA.

"I read Supreme Master Asahara's *How To Develop Superhuman Powers* [Chonoryoku himitsu no kaihatsuho], and thought it was wonderful. I called Aum immediately, but was displeased by the attitude of the person on the other end of the line, and got angry. Then the Supreme Master got on the phone. All my anger disappeared, and I joined immediately.

"At first I did a lot of meditation to improve my work skills. I thought I would do better work if I could develop different types of powers."

Hayakawa really got hooked on Aum in 1987, when the sect's Osaka branch was established. One of his college professors had asked him if he'd be interested in taking a job at a design firm in Tokyo. The offer seemed very attractive. Hayakawa was about to accept it, but when he consulted Asahara at the last minute, he received a phone call from the latter, who said, "Don't go to Tokyo."

The Supreme Master had taken a personal interest in Hayakawa, who was concurrently put in charge of establishing the Osaka branch, and acting as the chief representative for all Aum believers in Osaka. Hayakawa set up the Aum Environmental Research Institute, and thus achieved a measure of independence. Even before he joined the sect, he received special treatment from it, such as invitations to executive meetings. One of his college classmates told us that "When we went out drinking after not seeing each other for quite some time, Hayakawa went on endlessly about how wonderful Asahara is. He started sending Aum pamphlets to his friends, and urging them to join."

Then, six months later, Hayakawa completely cut off contact with the few friends he had.

"After being the beneficiary of the Supreme Master's energy, I can't imagine going back to being a layman again and working on my own" (from MAHAYANA).

He convinced his parents to move elsewhere and sell their house so that he could join the sect. His mother was so distraught that she wept.

From then on, Hayakawa devoted all his energy to establishing an Aum nation, continually demonstrating his "iron chancellor" skills. He oversaw all aspects of the Osaka branch project, including acquisition of the necessary land.

According to Hayakawa, "It's all a matter of doing whatever the Supreme Master tells me to do. I tell myself that I would die for him, but I'd rather live for him and show him what I can do."

In May 1990, the sect purchased approximately 15 hectares of land in Naminoson, Kumamoto Prefecture, in the Aso mountain range, and began construction work on a training center.

Here is a report from someone who visited the facility at that time: "Hayakawa was our guide. He talked fast, in Kansai dialect. Unlike other sect members, he understood jokes. He seemed like an ordinary guy. He had ready answers to all our questions."

The residents of Naminoson fiercely opposed the Aum invasion. The village office refused to accept change-of-address notifications from sect members who had moved there. Right-wing groups held demonstrations. Hayakawa was nowhere to be seen, though.

According to Deputy Mayor Naoshige Iwase, "Hayakawa never came to the village office. Every time it looked as though there was going to be trouble, it was Hisako Ishii who showed up, and acted as the leader.

An official of a right-wing group that actively participated in the movement to expel the sect told us, "Nakata, or whatever his name was, the one who used to be a gangster, would be right there in front, yelling, 'I'll kill you.' but Hayakawa wasn't there."

But Hayakawa was actively involved, though behind the scenes. In October 1990, when the sect purchased land in Naminoson, he, the sect's attorney, Aoyama, and others were arrested on suspicion of violating the National Land Development Act. They apparently wanted to claim that land they had actually purchased was donated to them, and failed to register the purchase. The real estate broker who had acted as go-between and who was arrested as an accomplice told us that "when the time came to inspect the site, it was Hayakawa who appeared, with one other person. He didn't waste time with idle chatter."

But he did scare the broker on one occasion. Though Aum Shinrikyo had told him that they weren't interested in the site, they came to see him the next day, saying that they wanted to buy it after all.

"Hayakawa was waiting inside the car. When I told him it was too late, he jumped out of the car, his face contorted with anger. He said, "That isn't right." Seeing that he was in such a state, I slipped out the back door of my office and went to get the owner of the land. I realized that Hayakawa could be dangerous if he got excited."

The same real estate broker recalls a scene involving Hayakawa, one that took place in court.

"While we were waiting for the proceedings to begin, the other sect members had formed a group and were chatting. Only Hayakawa was off by himself, staring out the window."

Seiichi Takeuchi (67), a resident of Kamikuishiki in Yamanashi Prefecture, met with Hayakawa approximately three times when negotiations were held about a land dispute.

"In the summer of 1992, the Aum people parked their cars and stored construction materials on land adjacent to theirs, without asking permission. We took some construction equipment over there and were about to move their stuff, when 20 or 30 Aum members came out and tried to stop us. Hayakawa was with them."

During the negotiations, held at the Kamikuishiki Community Center, Aum was represented by Hayakawa and three of his underlings.

"Hayakawa said, 'I can understand the residents' position. But I haven't explained it to Supreme Master Asahara, so I will speak to him about it.' I got the impression that he was someone you could deal with, someone who knew the right time to back down. Hayakawa always appeared when the situation became critical."

Hayakawa seemed, in some ways, to be different from the other members, who were completely in the thrall of the sect's doctrines.

In October 1993, near Satyan No. 10, a piece of heavy equipment fell on a sect member, killing him. Some Aum members received the news calmly, saying, "Death means nothing. He'll be reincarnated, anyway."

But Hayakawa reacted differently. He said, "This is terrible. This shouldn't have happened," and the look on his face showed that he meant it.

Hayakawa was also one of the main proponents of the sect's expansion into Russia, and of its arming itself.

Aum Shinrikyo first decided to extend its message to Russia in 1992. In February of that year, President

Yeltsin visited Japan. One of his aides, Secretary for Security Conferences Lobov, met with Asahara, but Hayakawa was the real facilitator.

Then, in exchange for financial aid from the sect to the Russo-Japanese University [roshia nihon daigaku], Aum began its Russian campaign in earnest. The rumor is that 500 million yen, or perhaps even 1 billion yen, ended up in Lobov's hands.

Nominally in charge of the sect's Russian operation was Fumihiro Kamiko, who became head of Aum's Moscow branch. But when negotiations were held that involved money, when the sect obtained permission to air its missionary broadcasts, for instance, Hayakawa was always on the scene.

Hayakawa also made contacts with the Russian military. Kamiko's right-hand man and interpreter was a graduate of a military language school. Moreover, members of antiradioactivity and antichemical and biological weapons units, as well as chemists, were invited to become Aum members, and accepted.

Furthermore, the sect donated 12 high-performance computers to the Moscow University of Engineering Science and Physics [Mosukuwa koka butsuri daigaku], approached prominent figures working on laser research, and attempted to establish relations with research organizations specializing in chemistry.

Last summer, Hayakawa purchased a Mir 17, a helicopter similar to that used by the Russian military, which he brought in via Austria. He then sent two Aum members to the No. 3 Aviation Club in Moscow for a month, where they were taught how to fly the helicopters.

In the meantime, he acquired a state-of-the-art metallurgical facility, equipped with numerically controlled broaching machines and lathes, from a steel company in Ishikawa Prefecture that the sect purchased, or more accurately, hijacked, in 1992.

This type of equipment was found when the police, suspecting the sect of having violated the Weapons Manufacturing Act, searched Aum's Seiryu Shoja [Clear Stream Temple] in Tomizawa, Yamanashi Prefecture, and in Satyan No. 11 in Kamikuishiki. The Ishikawa facility is capable not only of manufacturing guns, but of mass-producing them.

Also, Hayakawa personally oversaw the construction of the secret chemical plant in Satyan No.7, where the authorities suspect that the sarin gas was manufactured.

The Secret Weapons Expert

Since he was arrested in connection with the incident at Naminoson, Hayakawa seems to have built up a deep resentment of the police, the prosecutors, and even of his country.

One of Hayakawa's attorneys, Hiroshi Yamamoto, comments as follows: "He took the trouble to telephone the prosecutors, telling them he would present himself voluntarily, but when he appeared, he was arrested by a huge number of people in front of the building. He expressed his disgust with the detectives, saying that Japan has no culture."

In his book, *Principles of a Citizens' Utopia* [Shimen utopia no genri], published in January 1992, after he was released, Hayakawa wrote, "In most of the world, laws are rules that prevent you from causing trouble to others. The purpose of Aum's laws, however, is to elevate one's own spirit."

"In present-day Japan, (legislators) are high-ranking bureaucrats, while in Aum, they are victors of truth."

These, and other declarations in this book could be interpreted as a declaration of war against a constitutional nation.

It was at just about that time that Aum Shinrikyo's "Armageddon" obsession developed, and the sect began arming itself.

Asahara's book, *Disaster Is Near for the Land of the Rising Sun* [Hinode zurukuni wazawaichikashi], the first line of which reads, "The war has already begun," contains the following conversation.

[Asahara] Tiropa, I'd like to hear your observations of social trends, since you've been studying them closely.

[Hayakawa] War is the only way to get rid of panic. Present-day conditions clearly show that society is on the verge of panic. The next step is war. There is no other choice.

(Discussion of weapons that will be used in Armageddon)

[Asahara] Tiropa, you're what you'd call a secret weapons expert, or at least you know a lot about them. What do you think?

[Hayakawa] Plasma weapons can be activated instantly at a temperature of about 4,000 degrees. You can kill living creatures, no matter where they are.

[Asahara] Tell us more, Tiropa.

[Hayakawa] There are no shelters in Japan. If you want to survive, you have to provide your own defense.

People of noble virtue, and people who, since the beginnings of the human race, have overcome hardships and privations, and who possess karma, will survive. We will see the creation of a world populated by a new race that surpasses the human race in its present form.

We can see why Asahara places so much trust in Hayakawa. Nevertheless, Hayakawa's statements lead us to believe that he eagerly awaits a war, and is convinced that a utopia will be established in its aftermath.

North Korea

ROK Stance on Reactors 'Ridiculous, Imprudent'

SK2405050595 Pyongyang KCNA in English 0452 GMT 24 May 95

["Ridiculous, Imprudent Behavior" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 24 (KCNA) — NODONG SINMUN today brands the Kim Yong-sam group's talk about "standard- model reactor" and "principal role" in implementation of the framework agreement between the DPRK and the United States as a ridiculous, imprudent behavior.

The news analyst says:

The Kim Yong-sam group are not in a position to claim involvement in others' affairs.

Surface it to take the state of affairs of South Korean construction companies.

In South Korea shocking accidents such as the break-down of the Songsu Bridge on the River Han and gas explosions in Seoul and Taegu occur one after another, entailing a heavy toll of lives, and society is in great uneasiness and fear.

In different countries, South Korean construction companies have contracts canceled, lose competitions with foreign companies and are expelled from there. It is because the quality of structures built by South Korean companies is very low, the promise of construction period is not kept and the construction cost is too high.

This being the situation, the Kim Yong-sam group are trying to poke their nose into others' affairs and inflict disasters on others.

They are anxious to put a spoke in the wheel of the implementation of the DPRK-U.S. framework agreement, but their ill-intentioned act cannot win sympathy from people.

The Kim Yong-sam group had better stop their ridiculous attempt and stand before the tribunal of people.

ROK Rulers' 'Fascist Suppression' Decried

SK2105082695 Pyongyang KCNA in English 0823 GMT 21 May 95

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in Information No. 684 published on Saturday denounces the Kim Yong-sam group for arresting students who were following the chuche idea and fighting against foreign forces, claiming that they are "pro-communist forces" connected with the North and "forces seeking to overthrow system."

The information says it is no accident that the Kim Yong-sam group is kicking up a fascist suppression racket against progressive students. It goes on:

The ruling "Democratic Liberal Party" of the traitor Kim Yong-sam and the puppet government are isolated and rejected at home and abroad for failure of their internal and external policies. They are running into protest of the people for an unbroken chain of incidents that took a heavy toll of lives, and irregularities and swindles, products of the reactionary rule. The antagonism and contradictions surfacing with the "local autonomy elections" drawing nearer are driving them into hot water.

Suppression rackets that are getting all the more frequent these days are aimed at getting rid of political crisis. They are a product of deliberate and premeditated schemings designed to make out that the targets of suppression are all connected with the north.

The South Korean people, disillusioned by the reactionary nature, corruption and vulnerability of the Kim Yong-sam fascist "regime" under the "civilian" mask, will certainly defeat the "Democratic Liberal Party" and the Kim Yong-sam traitorous "regime" in the "local elections."

'Irregularities' of Kim Yong-sam Regime Viewed

SK2105081595 Pyongyang KCNA in English 0813 GMT 21 May 95

["Ringleader of Irregularities and Corruption Must Be Removed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — It has been brought to light that Son Song-hun, a cousin of the wife of the traitor Kim Yong-sam, received a fabulous sum of money as a bribe from the president of the Toksan Business Group. Commenting on the fact, MINJU CHOSON today says this is another proof that the traitor is the ringleader of corruption and irregularities.

Seating himself in power, the traitor talked about "liquidation of corruption without a sanctuary." But the property of his family has increased several times after he took office. This shows well how persistently he has stuck to corruption and irregularities.

There is a saying that a servant is only as honest as his master. As the traitor Kim Yong-sam has done such things, the officials of "Chongwadae" [presidential offices], the puppet National Assembly and the "administration" and the upper classes of the "Democratic Liberal Party" and other privileged classes are engrossed competitively in irregularities and corruption.

In order to liquidate irregularities and corruption in South Korea, it is necessary to remove the traitor Kim Yong-sam, the ringleader.

'Scandal' Surrounds 'Clan'

SK2305044295 Pyongyang KCNA in English 0436 GMT 23 May 95

["Corrupt Clan" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — NODONG SINMUN today comments on the scandal of a cousin of the traitor Kim Yong-sam's wife.

The cousin cheated the chairman of a business group out of hundreds of millions of won with a false promise to provide him with the right to operate Chosun University in Kwangju.

The analyst of the paper says:

The irregularities of the Kim Yong-sam clan go beyond imagination. With the backing of Kim Yong-sam, they use "concessions," "privileges" and the like as the bait and swallow a colossal amount of money.

They are hell-bent on fortune piling today as the "civilian government" is in a crisis and its future is gloomy.

Their irregularities are getting more frequent, encouraged by the traitor Kim Yong-sam.

Kim Yong-sam is raking in "political funds" by fraud and, at the same time, enabling and encouraging his clan to practice irregularities.

After he joined the ruling camp, especially after he took office as "president" his relatives were promoted to responsible posts and became rich suddenly.

The newly discovered scandal clearly shows that Kim Yong-sam, who pretends to be a "clean politician," and his clan are all money- grubbers and that in an attempt to conceal his true colours, he made much ado about "opening of the property to the public" calling for "liquidation of corruption."

ROK Opposition Criticizes Election Campaign

SK2205045695 Pyongyang KCNA in English 0438 GMT 22 May 95

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — South Korean opposition parties criticized the "Democratic Liberal Party" for its illegal "election" campaign, according to a report from Seoul.

The spokesman for the Democratic Party refuted the proposal to set up a "steering committee for fair elections" the "Democratic Liberal Party" made while keeping mum about its unfair acts. He urged the "Democratic Liberal Party" to clarify the truth behind its illegal "election" campaign in Inchon, Changwon and Ulsan of South Kyongsang Province and North Chungchong Province.

He also demanded that the "Democratic Liberal Party" punish those who conducted the illegal "election" campaign.

The spokesman for the free democratic union in a statement criticized the illegal "election" campaign of the "Democratic Liberal Party" and urged it to stop the government-backed, money-powered trips at once.

Labor Rallies, Disturbances in ROK Reported

SK2205051695 Pyongyang KCNA in English
0459 GMT 22 May 95

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — An estimated 1,000 delegates from across South Korea under the influence of the preparatory committee for the federation of democratic trade unions held a rally in Kwangju on Sunday and vowed to smash the suppression of the labour movement, a radio report from Seoul said.

The ralliers charged that the puppet clique is suppressing the just struggle of the labour union of the telecommunications co., branding it as "illegal."

They vowed to go on strike against it nationwide.

Under the programme of the preparatory committee for the federation of democratic trade unions, trade unions in different units will launch a strike between June 15 and 20 with each trade union as a unit, an emergency rally of delegates of trade unions will be held in Seoul on June 25 and rallies will be held throughout South Korea on June 27 against the crackdown on the labour movement.

On May 20, about 1,500 students and other people in Inchon and Puchon held a rally and denounced the puppet clique's plan of construction of a nuclear waste repository.

They held protests against the puppet clique's criminal scheme, clashing with police trying to disperse them.

Raid on Hyundai Workers Decried

SK2105102795 Pyongyang Korean Central Broadcasting Network in Korean
1220 GMT 20 May 95

[Commentary by Yun Pyong-son: "Civilian Fascist Maniac Who Has Revealed His Brutal Nature"]

[FBIS Translated Text] According to reports, the Kim Yong-sam puppet clique brought some 1,000 puppet riot policemen into the Ulsan factory of the Hyundai Motor Company at 4 am [1900 GMT] on 19 May and committed the fascist outrage of forcibly taking into custody the 300-odd striking workers. This is nothing but another arrogant fascist atrocity that once again reveals the civilian fascist dictator's brutal nature.

As has already been known, workers of the Ulsan factory of the Hyundai Motor Company had gone on total strike after Yang Pong-su, an employee, attempted to burn himself to death to protest his unjustifiable discharge from the company. Startled by this, the company acted outrageously by declaring an indefinite shutdown in order to stop the workers' struggle, thus closing the factory.

In a fit of fury, the workers protested the company's arrogance and went on total strike. Thereupon, the Kim Yong-sam fascist clique committed large puppet police forces to the factory and carried out the fascist outrage of taking into custody all the workers there. This proves the fascist dictator under a civilian cloak is more brutal than the preceding military fascist dictators when it comes to cracking down on workers.

As everyone knows, in today's world ensuring the workers' struggle for their right to live and their freedom to form labor unions is an issue pertaining to elementary democratic rights. Furthermore, in the case of the South Korean workers, they are compelled to work like slaves under the worst working conditions, receiving the lowest wages. Under such conditions, in which they have risen up in struggle, calling for the right to live and for other elementary democratic rights is an extremely just exercise of their rights that cannot be taken away from them. Nonetheless, the Kim Yong-sam civilian fascist clique branded their just struggle as group egoism and brutally cracked down on them.

As is well known, the Kim Yong-sam civilian fascist clique is a vicious gang that has invoked emergency mediation rights, which the preceding military dictators did not dare to provoke, in order to quell the strikes of the workers of the Hyundai business group.

All this clearly shows the labor-management cooperation and industrial peace advertised by the Kim Yong-sam clique is nothing but deceitful slogans to one-sidedly crack down on the workers by taking sides with the comprador conglomerates that viciously suppress the workers. The Kim Yong-sam civilian regime is an out-and-out watchman protecting the interest of the comprador conglomerates and a malicious enemy of 10 million workers.

The reality in South Korea shows that if the Kim Yong-sam civilian fascist dictator is left intact, 10 million working masses will not be able to enjoy their elementary democratic rights and their true lives as human to the end. The Kim Yong-sam civilian fascist clique's brutal suppressive atrocity inflicted upon the workers of the Ulsan factory of the Hyundai Motor Company is not the display of the strong but the bluff of the weak.

Now the Kim Yong-sam clique is totally isolated and rejected at home and abroad due to the repeated failure of its antinational, antipopular policies. It is the consistent view of public opinion at home and abroad that the days of the Kim Yong-sam clique are numbered.

The Kim Yong-sam clique desperately clings to fascist suppression to tide over its facing crisis. However, it is nothing but the final struggle of a dying beast.

The Kim Yong-sam clique's brutal atrocity inflicted upon the workers of the Ulsan factory of the Hyundai Motor Company will only further instigate the 10 million South Korean workers' indignation and will trigger their united struggle. There is no question about this.

When the 10-million-strong working class rise up for the audacious struggle, the Kim Yong-sam civilian fascist clique will not be able to evade its tragic end.

Antiunion 'Repressive Offensive'

SK2305042995 Pyongyang KCNA in English 0424 GMT 23 May 95

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — The traitor Kim Yong-sam called a "meeting of secretaries" on May 20 and ordered them to take a "strong measure against the illegal strike at the telecommunication co.," according to a report.

On May 19, the South Korean puppets held an "emergency meeting of ministers concerned" and announced that they would take "strong action against the illegal labour-management disputes".

This is a declaration of a total suppression of the massive strike of South Korean workers for vital rights and democracy and, furthermore, a vicious fascist repressive offensive to put down the anti-kim Yong-sam struggle of South Korean people which is gaining momentum.

The massive strike of South Korean workers including 52,000 unionists of the telecommunication co. has already shaken to its very foundation the puppet regime which is on the verge of bankruptcy and has struck the traitor Kim Yong-sam with extreme uneasiness and horror.

Under this situation, the Kim Yong-sam group called emergency meetings in succession in an attempt to stretch out the crooked hands of total suppression to the strike of workers.

The Kim Yong-sam group is branding the struggle of people and students including workers as "illegal". However, their struggle cannot be labelled as illegal. In actuality, the anti-popular crimes of the Kim Yong-sam group, the wrecker of independence and democracy, are illegal.

Accordingly, the criminals who must face a stern judgement by history are none other than the Kim Yong-sam group.

Korean Social Democratic Party Statement on ROK

SK2305213195 Pyongyang KCNA in English 1516 GMT 23 May 95

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — The Central Committee of the Korean Social Democratic Party issued a statement today denouncing the South Korean rulers' undisguised scheme to block the grand national reunification festival marking the 50th anniversary of the liberation of the country.

The statement says:

The South Korean authorities held a "meeting of ministers related to unification and security" a few days ago and published their "policy" of not allowing any "large-scale outdoor function related to reunification" in South Korea, still less the joint rallies and pro-reunification functions of the nation including the joint prayer meeting of religionists slated for August 15 in Panmunjom.

This is an overt revelation of the sinister intention of the "civilian" fascists to block in advance the August 15 grand national reunification festival and suppress the debate on reunification at the point of the bayonet. It is an unpardonable anti-reunification fascist measure of those driven into a tight corner at home and abroad.

The South Korean rulers are trying to block the festival on the pretext of "personal safety" of the participants in the joint rally in Panmunjom and "political abuse." This is, however, a poor excuse to justify their anti-reunification, anti-national acts.

With no trick can the Kim Yong-sam group justify their criminal scheme against the reunification festival.

If they persistently block the festival, running counter to the desire of the nation and the demand of the times, it will precipitate their miserable end and they will be cursed and condemned by the nation generation after generation.

The Korean Social Democratic Party, together with other political parties and organisations in the North, the South and overseas, will do all it can to successfully hold the August 15 grand national reunification festival.

Pyongyang Proposal for Confederal System Lauded

SK2405004395 Pyongyang Korean Central Broadcasting Network in Korean 0650 GMT 23 May 95

[Unattributed talk: "The Most Aboveboard and Most Just Proposal for Founding the Democratic Confederal Republic of Koryo"]

[FBIS Translated Text] The great leader Comrade Kim Il-song taught: We believe the proposal for founding the Democratic Confederal Republic of Koryo is a just, aboveboard, and common method of national reunification that can serve as the grounds for national harmony.

The proposal for founding the Democratic Confederal Republic of Koryo as suggested by the great leader Comrade Kim Il-song is the most realistic, just, aboveboard, and common method of national reunification that enables the North and South to achieve the country's reunification without fighting each other or infringing upon each other's interests.

Different ideologies and systems have existed in the North and South of our country since outside forces occupied South Korea beginning 15 August 1945. In order to achieve national reconciliation and unity, and to realize the peaceful reunification of the country under this situation, either side must not regard its own ideology and system as absolute or force each other to follow them.

Under the conditions that different ideologies and systems exist in the North and the South of our country, and that either side does not want to abandon its own ideology and system, the establishment of a confederal system is the only way to achieve national harmony and reunification without fighting with each other or infringing upon each other's interests.

The people are to choose an ideology and system of their own volition, not by the force of others. It is impossible to achieve national reunification if one side forces the other to accept its ideology and system. In this case, internal confrontation would be aggravated inside the nation and a new national disaster may occur.

Differences in ideology and system inside the nation must be overcome gradually in a way to strengthen national unity based on common interests of the nation, not by force. Differences in ideology and systems between the North and the South cannot be a factor making it impossible to reunify the country. The two systems can surely coexist in one nation, one reunified country, on the grounds of the historically inherited common features of the nation; this is the reason the proposal for founding the Democratic Confederal Republic of Koryo is the most valid shortcut to peaceful reunification of the country within the specific realities of our country.

The interests of both the North and the South are equally taken into consideration in the proposal for founding the Democratic Confederal Republic of Koryo. This proposal suggests establishing a united government with the same number of representatives from the North and the South, plus an adequate number of representatives of overseas compatriots, and to let the united government rule the local governments in the North and the South, being in charge of general affairs of the confederal state.

The united government shall discuss and decide on common issues concerning the interests of the country and nation, promote projects for reunification and development of the country and nation, and work to achieve unity and harmony between the North and the South in all fields based on just and fair principles and in accordance with the people's aspiration for national unity, harmony, and reunification.

The united government shall also respect the opinions of all social systems, administrative organizations, parties, factions, classes, and strata and will control them to prevent one side from forcing the others to agree to its opinion.

Meanwhile, local governments in the North and the South shall respectively execute their own policies within the scope of protecting the interests of the entire nation. Accordingly, the interests of all classes, strata, and parties of both the North and the South can be protected in the confederal state.

In conclusion, the reunification of the fatherland by founding the Democratic Confederal Republic of Koryo will enable the North and the South to realize the long-cherished national aspiration for the fatherland's reunification and will show to the world the advisable and proud appearance of a reunified nation.

The proposal for founding the Democratic Confederal Republic of Koryo is indeed the most just method of the fatherland's reunification that correctly reflects all the Korean people's national aspirations and interests as well as the specific realities of our country. It is also a great chuche-based program for the fatherland's reunification and the nation's common method of reunification that clearly shows the shortcut to the country's reunification in a peaceful manner based on the Korean people's strength, excluding the intervention of outside forces.

All Koreans and progressive people of the world entire support and sympathize with the proposal for founding the Democratic Confederal Republic of Koryo because of its realistic, fair, and just characteristic; its influence has been increasing as days go by.

The puppet traitor Kim Yong-sam, who disagrees with the fatherland's reunification by founding the Democratic Confederal Republic of Koryo, said the North and South will inevitably remain as two divided states until their systems are simplified since they have become incoherent or the like. He also blared that reunification based on a so-called liberal democratic system is his dream and goal. This means he does not intend to reunify the country.

One's attitude toward the proposal for founding the Democratic Confederal Republic of Koryo is the touchstone showing one's position toward reunification or division. If the traitorous Kim Yong-sam clique is truly interested in the country's reunification, it must not dream about unrealistic and illusive reunification based on a so-called liberal democratic system, but must immediately accept our proposal for reunification based on a confederal system that coincides with the demand of the times and the national aspiration for reunification.

The fatherland's reunification is our people's independent cause that cannot be achieved by others. Today, our people's aspiration for reunification has become greater than ever, and the prospect of the fatherland's reunification is bright. Divisionist forces cannot frustrate our people's will to build a reunified Korea, nor can they block the haughty stream of the people who are accelerating the march to reunification in the 1990's.

The party Central Committee's slogans note: Let us carry out a nationwide struggle to smash the South Korean rulers' divisionist illusions and realize the proposal for founding the Democratic Confederal Republic of Koryo.

The independent reunification of the fatherland will surely be achieved because we have the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il, who upholds the lofty intent of the respected and beloved leader Comrade Kim Il-song, as well as the method of founding the Democratic Confederal Republic of Koryo, a just and aboveboard method of reunification.

The 70 million fellow countrymen in the North, South, and overseas will firmly unite themselves, vigorously carry out the struggle to realize the proposal for founding the Democratic Confederal Republic of Koryo under the wise leadership of the great leader Comrade Kim Chong-il, and will found the Democratic Confederal Republic of Koryo, the prosperous reunified fatherland, without fail.

ROK Defector Welcomed by People of Pyongyang

SK2305152095 Pyongyang KCNA in English
1511 GMT 23 May 95

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — Pyongyangites today met to warmly welcome Song Po-yong, who came over to the northern half of Korea.

An order of the DPRK and prize as well as a souvenir were given to song at the meeting.

Addressing the meeting, Sin An-pang, vice-chairman of the Pyongyang municipal administrative and economic committee, highly appreciated the defection of a South Korean young man Song Po-yong as a patriotic action just enough to be praised by the whole nation.

He said an increasing number of South Korean people have set themselves against the colonial fascist rule of the U.S. imperialists and the Kim Yong-sam puppet clique and come over to the northern half of Korea in recent years. This mirrors the desire and aspirations of South Korean people sympathizing with the northern half of Korea, where a people's paradise has been built and the height of the nation's prosperity attained under the outstanding and tested guidance of the respected leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il, he said.

Song Po-yong in his reply said he considers it the greatest happiness to decisively break with the South Korean society and come over to the northern half of Korea where policies for the sake of the working masses are being pursued to the letter.

Kim Yong-sam is making a noise about "civilian politics" and "reforms", but those who are engaged in politics as his hirelings are all political charlatans who seek power and personal comfort and high honors, Song said, adding that South Korea is a horrifying world which is unfit for the habitation of the working people in view of politics, the economy, actual conditions of town and country and social trend.

He said he feels every day and every moment that the North which is led by the great General Kim Chong-il is the best in the world, and vowed to devote his life to the sacred cause of national reunification in order to bring earlier the day when all the fellow countrymen lead a happy life, holding the respected general in high esteem.

Cholla Students' Anti-U.S. Demonstration Noted

SK2305052395 Pyongyang KCNA in English 0439 GMT 23 May 95

["S. Korean Students' Anti-U.S. Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — Over 800 students of Chonnam National University, Chosun University and other universities under the Kwangju-South Cholla Provincial Federation of General Student Councils (Namchongnyon) in South Korea held a rally for a probe into the truth behind the may massacre as well as for the removal of the "American Cultural Centre" and staged an anti- U.S. demonstration on May 22, which was set as the anti-American day, a radio report from Seoul said.

At the rally they burnt the U.S. flag and Uncle Sam in effigy, emanding the punishment of U.S. troops who made an assault upon a South Korean citizen.

When the riot police attacked them, firing tear gas, the angry students bravely fought, hurling stones at the police.

Meanwhile, about 400 students affiliated with Namchongnyon advanced up to the "Kwangju American Centre" and staged a surprising demonstration, shouting anti-U.S. slogans such as "Remove the American Cultural Centre which spreads lower-grade culture".

Officials Greet CNN International's President

SK2305151495 Pyongyang KCNA in English 1503 GMT 23 May 95

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — President of the CNN International of the USA Tom Johnson and his party arrived in Pyongyang today.

They were greeted at the airport by officials concerned.

Government, Iran Sign Technical Exchange Plan

SK2205050495 Pyongyang KCNA in English 0450 GMT 22 May 95

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — A 1995-1997 plan on scientific, technical, educational and cultural exchange between the Governments of the Democratic People's Republic of Korea and the Islamic Republic of Iran was signed in Teheran on May 17.

It was signed by Yang Tal-chu, vice-chairman of the Committee for Cultural Relations with Foreign Countries who is heading a DPRK government cultural delegation, and by Ali Jannati, vice-minister in charge of international affairs of culture and Islamic guidance of Iran.

Paper Urges Further South-South Cooperation

SK2305124595 Pyongyang KCNA in English 1025 GMT 23 May 95

["Further South-South Cooperation Called For" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — The only way for developing countries to get over the difficulties facing them is to expand and develop South-South cooperation, says NODONG SINMUN in a signed article today.

"Let us oppose neo-colonialist exploitation and plunder of developing countries and develop South-South cooperation on the principle of collective self-reliance," one of the calls of the Central Committee of the Workers' Party of Korea published on the occasion of the 50th foundation anniversary of the party, reflects the unshakable stand of the Korean people as well as the demand and aspirations of developing countries, the article says, and continues:

What is important in expanding and developing South-South cooperation is for developing countries to hold fast to the principle of collective self-reliance, complete equality and reciprocity.

To be true to the principle of collective self-reliance is a struggle for developing countries to unite and cooperate with each other so as to hew out their destinies by themselves; only when they maintain the principle can they free themselves from dependence on developed countries and successfully develop South-South cooperation in the spirit of independence and solidarity.

For developing countries to realise cooperation and exchange on an equal footing in their interests is an important feature of South-South cooperation. Only when South-South cooperation is realised in urgent and possible domains in the light of the present- day reality and eventually expanded by accumulating experiences and following up the achievements, can it prove fruitful, adds the article.

Anniversary of Victory in Musan Battle Celebrated

SK2305044095 Pyongyang KCNA in English 0432 GMT 23 May 95

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — Fifty-six years have passed since the great leader President Kim Il-song carried out advance operations in Musan area and conducted vigorous military and political activities in a vast northern border area of Korea, leading a large unit of the Korean People's Revolutionary Army during the anti-Japanese revolutionary struggle.

The operation for advance into Musan area was carried out according to the strategical policy on the advance of the Korean People's Revolutionary Army again into the homeland to cope with the changed military and political situation, set forth by President Kim Il-song at the historical Beidadingzi meeting in April 1939.

The unit crossed the River Amnok on May 18, conducted military and political activities in Chongbong in the homeland, and marched along the 40-km Kapsan-Musan guard road paved by the Japanese imperialists in the daytime through the Lake Samji according to the orientation of action of a swift advance into Musan area with one- step-makes-a-thousand-ri tactics, before arriving at Mupo.

Then, the unit moved to Sinsadong, where it conducted vigorous military and political activities and wiped out the Japanese imperialist aggression troops on the Taehongdan Plain with lure-and- ambush tactics and thus won a victory in the historical Musan area battle.

A Yanggang provincial meeting took place in Taehongdan County on May 22 to mark the 56th anniversary of the victory in the Musan area battle.

In his report at the meeting, Yi Kil-song, chief secretary of the Yanggang Provincial Committee of the Workers' Party of Korea and chairman of the Yanggang Provincial People's Committee, said that the victory in the Musan area battle was a brilliant fruition of the great strategical and tactical policy and wise command of the respected leader Comrade Kim Il-song and a historical event which fully demonstrated the invincible might of the Korean People's Revolutionary Army.

A meeting was also held in Samjiyon County on Monday.

Activities Commemorate Anniversary of Chongnyon

Kang Song-san Attends Meeting

SK2405105895 Pyongyang Korean Central Broadcasting Network in Korean 0759 GMT 24 May 95

[FBIS Translated Excerpt] [Announcer] This is the 6,000-seat theater of the February 8 House of Culture. A central report meeting is going to be held here in a moment to commemorate the 40th anniversary of the founding of the General Association of Koreans Residing in Japan [Chongnyon]. [passage omitted]

Comrade Kang Song-san, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and premier of the Administration Council; Comrade Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; other party and government cadres; responsible functionaries of political parties and public organizations; presidents and deans of universities and colleges; and model compatriots repatriated from Japan are coming to the rostrum.

Choe Pyong-cho, vice chairman of the Chongnyon Central Standing Committee, and functionaries from Chongnyon and its affiliated organizations also came to the rostrum. Paek Hak-yon, permanent vice chairman of the Pyongyang Municipal People's Committee, is presiding over the meeting. [passage omitted]

[Paek Hak-yon] Comrade Kim Yong-sun, secretary of WPK Central Committee, is going to deliver a commemorative report. [passage omitted]

Photo Exhibit Marks Anniversary

SK2405043295 Pyongyang KCNA in English 0421 GMT 24 May 95

[FBIS Transcribed Text] Pyongyang, May 24 (KCNA) — A national photo exhibition to mark the 40th anniversary of the formation of the General Association of Korean Residents in Japan (Chongnyon) (May 25, 1955) opened in Pyongyang.

Exhibited in the hall were 125 pictures on the efforts and wise leadership and loving care of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il for strengthening and development of Chongnyon and on the energetic patriotic activities of the Chongnyon organizations and Koreans in Japan for the victory of the revolutionary cause of chuche under the wise leadership of General Kim Chong-il, true to the behests of President Kim Il-song.

Vice-Premier Chang Chol made a speech at the opening ceremony of the exhibition which took place at the People's Palace of Culture on Tuesday.

Stamp, Envelope Mark Anniversary

SK2105080695 Pyongyang KCNA in English 0804 GMT 21 May 95

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — An anniversary stamp and envelope were printed in the Democratic People's Republic of Korea on the occasion of the 40th anniversary of the formation of the General Association of Korean Residents in Japan (Chongnyon) on May 25, 1955.

Printed on the stamp are letters "40th Anniversary of the Formation of the General Association of Korean Residents in Japan" and a picture of the building of the Chongnyon Central Standing Committee against the background of the DPRK flag. It shows well that Chongnyon, an overseas citizens' organization of the homeland of chuche, has made brilliant achievements in carrying out the noble patriotic cause of the reunification and prosperity of the nation under the wise leadership of the respected leader President Kim Il-song and the great leader Comrade Kim Chong-il.

Painted on the envelope are the building of the Chongnyon Central Standing Committee and a magnolia blossom.

Railway Delegation Departs for Vietnam 22 May

SK2205214095 Pyongyang KCNA in English 1524 GMT 22 May 95

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — A DPRK railway delegation headed by Minister of Railways Pak Yong-sok left here today to participate in the 23rd ministerial meeting of the organization of railways cooperation which will be held in Vietnam.

It was seen off at Pyongyang Railway Station by Kim Yong-sam, chief of staff of the Ministry of Railways, and officials concerned, and Vietnamese Ambassador to Korea Duong Chinh Thuc.

Nepal Publishes Statement on DPRK-U.S. Talks

SK2405102995 Pyongyang KCNA in English 1016 GMT 24 May 95

[FBIS Transcribed Text] Pyongyang, May 24 (KCNA) — The international study centre for chuche-oriented mass media in Nepal released a statement on May 11 in support of the proposals of the Democratic People's Republic of Korea for the reunification of the country.

Pointing out that Korea must be reunified independently and peacefully without any outside interference, the statement said:

We fully support the three principles of national reunification and "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by the great leader President Kim Il-song.

His proposals for national reunification are the most reasonable and aboveboard ones acceptable to anyone.

The statement urged the United States and the South Korean authorities to accept the three principles of national reunification — independence, peaceful reunification and the great national unity — which were set forth by the Democratic People's Republic of Korea. It also strongly demanded that the United States put an end to moves of aggression and war in South Korea and withdraw its nuclear weapons and Armed Forces from there.

On May 16, the centre published a statement concerning the talks between the DPRK and the United States.

If the United States persist in the "South Korean model" for the light water reactors it promised the DPRK to provide even at the forthcoming talks, the talks will prove fruitless and the situation will be complicated, the statement stressed.

It warned that the United States should approach the issue of the Korean peninsula with sincerity.

Nepal Supports Reunification of Korean People

SK2205110795 Pyongyang KCNA in English 1037 GMT 22 May 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — A mass rally supporting the independent and peaceful reunification of Korea and a symposium on "Situation of the Korean Peninsula and Issue of Guaranteeing Peace" were held in Nepal on May 13.

Ritan Kumar Gupta, deputy mayor of Bairawa of Nepal, in his speech at a mass rally held in his city, said that the division of Korea was caused by the occupation of South Korea by the U.S. Forces.

The United States is still resorting to threat and pressure against the Democratic People's Republic of Korea under the pretext of "nuclear issue", he said, stressing:

Such acts of the United States are entirely unjustifiable.

The symposium held in Butwal city under the sponsorship of the Peace Action Committee of Nepal was addressed by Surya Prasad Pradan, mayor of Butwal, and Pradip Gawali, member of the Central Committee of the Nepal Communist Party (United Marxism-Leninism) and secretary of the Rupandehi County Committee of the Party.

Mayor Surya Prasad Pradan said that the withdrawal of the U.S. troops and nuclear weapons from South Korea is the most primary issue in ensuring peace and security on the Korean peninsula.

He stressed that the United States should stop threatening Korea, sincerely implement the agreed framework adopted with the Democratic People's Republic of Korea and get out of South Korea without delay, taking his troops and nuclear weapons with it.

Secretary Pradip Gawali said that if peace and security is to be ensured on the Korean peninsula, it is imperative to put an end to the division of Korea.

He emphasized that the United States must not hamper the efforts of the Korean people for reunification but withdraw its aggression forces from South Korea and stop war exercises against the Korean people.

Paper Marks Proclamation Day of Yemen 23 May

SK2305125195 Pyongyang KCNA in English 1020 GMT 23 May 95

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — MINJU CHOSON today dedicates a by-lined to the day of the proclamation of the Republic of Yemen.

The paper says:

The Yemeni people put an end to the protracted division of the country and achieved reunification, which makes it possible for them to build a new independent, prosperous society with the united efforts of the nation.

The Yemeni people have made great achievements in their efforts to consolidate the reunification and stability of the country and build a new society.

The Yemeni Government and people are making efforts for a fair solution of the international problems against imperialism and strengthening friendship and solidarity with the progressive peoples of the world.

Korea and Yemen, both Asian countries, have established the bonds of friendship.

The Korean people will continue developing the friendly and cooperative relations with the Yemeni people in the idea of independence, peace and friendship.

The Korean people wish the Yemeni people greater success in their struggle for national unity and prosperity.

Kim Chong-il Sends Thanks to Units, Veterans

SK2205045395 Pyongyang KCNA in English 0432 GMT 22 May 95

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to many units, officials and working people for their active assistance to People's Army soldiers who are performing exploits in the construction of the Chongnyu Bridge (second-stage) and the Kumnung Tunnel No. 2. among them were the Kaechon railway bureau, the Kumgang general bureau, teachers and students of the University of International Affairs, the food administration station of Hwangju County, North Hwanghae Province, Yi Kye-sun University, Kang Song-ho, an instructor of the Ministry of Foreign Affairs, and his wife Kim Myong-hui, Yi Myong- hui, a worker of the Pyongyang underground store, and Han Sun-yo in Songchon-tong, Hoeryong City, North Hamgyong Province, and her family.

He also sent thanks to those who contributed to the increase of grain production. Among them were war veterans sub-workteams, veteran party cells and war veteran party cells of cooperative farms including Wonam, Sinchon County, South Hwanghae Province, Yongchon, Kyongsong County, North Hamgyong Province, and Osan, Chongju city, North Pyongan Province, war veterans and working people of the state-run November 10 youth farm and teachers and pupils of the Chontae Senior Middle School, Kwaksan County, North Pyongan Province.

Thanks Officials, Employees

SK2305042895 Pyongyang KCNA in English 0420 GMT 23 May 95

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the Anju Area Coal Complex Committee of the Workers' Party of Korea and the Coal Mine Construction Company and the coal miners of the Sinri Coal Mine and the Ipsok Coal Mine under the complex and their families, the teachers and students of the Pyongyang University of Arts, the officials and employees of the Chungsan Mine Service Management Office and worker Yi Chong-sik's family of the Koryo Service Management Bureau, who actively assisted the People's Army and did good things for the collective.

He sent thanks to the public security men of the Choe Chong-yol unit under the Chunghwa County Public Security Station in Pyongyang who did good things for the convenience of the people.

Comrade Kim Chong-il extended thanks to the officials and employees of the Ponghwa General Bureau who have made great achievements in carrying through the foreign trade policy of the Workers' Party of Korea in the past 20 years.

Thanks Additional Organizations

SK2405044495 Pyongyang KCNA in English
0436 GMT 24 May 95

[FBIS Transcribed Text] Pyongyang, May 24 (KCNA) — The great leader Comrade Kim Chong-il extended thanks to organisations of the trade unions of the Pyongyang Textile Combine, the May 10 General Factory, the Yongsong Associated Machinery Bureau, the Huichon General Machine Tool Plant and the Kim Chong-tae General Electric Locomotive Works, which set examples in assisting the Komdok Mining Complex.

Comrade Kim Chong-il highly praised No Sang-chun, instructor of the Ministry of Foreign Affairs, Pak Hung-chin, section chief of the Higher Education Institute of the Ministry of Higher Education of the State Education Commission, Yi Chol-ho, teacher of the Pyongyang University of Dramatic and Cinematic Art, and other officials and working people who volunteered for important fields of the socialist construction.

Paper Praises Kim Chong-il's Leadership

SK2205105395 Pyongyang KCNA in English
1008 GMT 22 May 95

["Genius of Creation and Construction Who Has Attained Height of Nation's Prosperity" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — The great leader Comrade Kim Chong-il is a genius of creation and construction, who has attained the height of the nation's prosperity with outstanding and tested leadership, says NODONG SINMUN in a signed article today.

The article goes on:

It is the invariable principle of leadership of the great leader Comrade Kim Chong-il to conduct creation and construction for the prosperity and development of the country in an independent way.

Respected Comrade Kim Chong-il has solved all problems our own way with independent faith and judgement on them irrespective of any established formula and theories and experience of other countries, as demanded by the practice of revolution. And he always worked out all lines and policies in the light of the requirements of the Korean revolution and the actual conditions of Korea. He has resolved all the problems arising in creation and construction in reliance upon the efforts and wisdom of the Korean people and natural resources and technique, not depending on others.

The sagacity of the leadership of Comrade Kim Chong-il in attaining the height of prosperity of the country finds expression in the fact that he has given precedence to theory on ideology among other things and achieved brilliant victory and proud successes in creation and construction by always conducting political work among the masses in order to set them in motion.

Comrade Kim Chong-il always attaches a decisive significance to the ideological factor in leading great work of creation and construction for prosperity and development of the country, and has organised and mobilised the masses of people by raising their ideological level and regarded it as the key to a solution of problems to conduct political work among the people.

He is an outstanding master of leadership, who is leading creation and construction to a brilliant victory with his skilful organisational ability and extraordinary revolutionary sweep.

It is his revolutionary sweep to work out a bold operation and carry it out in a big way, in three dimensions and at a lightning tempo so as to achieve the greatest success in quantity and quality in the shortest span of time.

The Korean nation's dignity and honor of being an independent- minded nation, which was won and defended by the great leader Comrade Kim Il-song, is further exalted thanks to independent policies pursued by respected Comrade Kim Chong-il. The great leader Comrade Kim Chong-il's benevolent policies based on trust in and love for the people turn the relations between the leader and his soldiers, between the leader and his people into ones of trust and loyalty, affection and filial piety in Korea.

*KPA General Pledges Loyalty to Kim Chong-il

952C0111A Pyongyang NODONG SINMUN
in Korean 10 Feb 95 p 1

[Article by KPA General Chon Chang-chin: "We Will Defend [the Country] Vigorously With Our Arms"]

[FBIS Translated Text] At the news of the respected and beloved supreme commander Comrade Kim Chong-il's inspection tours of Korean People's Army [KPA] units and subunits, I shouted "Hurrah!" without knowing it.

On New Year's day, before receiving the greetings of all the KPA personnel, the respected and beloved supreme commander Comrade Kim Chong-il visited KPA soldiers to warmly congratulate them as they were celebrating the new year. On 5 February he visited a shore battery on the foremost front line by taking the same hallowed route the great leader took for his on-the-spot tour, during which he inspected the combat training of the soldiers, watched a show staged by an art team, and showed a tender concern for their lives with the affection like that of a real father. On 6 February he visited a Navy unit, where he inspected a battleship and the Kaeson (a ship with a glorious history graced by the great leader's visit), and showed the sailors the dazzling path ahead for the KPA Navy.

The moment I received the exciting news, my heart started beating hard and my bodily temperature shot up feeling as if the respected and beloved supreme commander were beside me.

Particularly, at the same gun emplacements that the great leader visited in his lifetime, the respected and beloved supreme commander Comrade Kim Chong-il presented binoculars inscribed with the esteemed name of the great leader to the female gunners and automatic rifles to the commanding officers of the company as a gift. He also visited the Kaeson, which the great leader [Comrade Kim Il-song] boarded on his way to the fatherland after liberation and subsequently visited several times. The respected and beloved supreme commander Comrade Kim Chong-il gave teachings on principles during this visit. The news of his inspection tour makes the hearts of KPA officers and men beat hard in excitement and makes them burn with a noble sense of mission.

The great helmsman Comrade Kim Chong-il pointed out as follows: "...the army should always think about war in peacetime and be fully prepared and ready to fight when occasion arises."

Our KPA is the party's army, the leader's army. We are charged with the noble responsibility and duty to defend our party and our revolution and protect our socialist fatherland and the well-being of our people with our guns. Precisely to help fulfill this obligation and duty magnificently, the great leader directed such great attention to strengthening and developing the KPA in his lifetime. Undaunted by harsh weather and the rugged roads, the great leader visited KPA units in all branches of the service to clearly outline the tasks for strengthening the combat strength of the servicemen and show them his tender concerns for their well-being.

Hidden in the respected and beloved supreme commander Comrade Kim Chong-il's recent visit to the shore battery on the foremost frontline, during which he presented binoculars inscribed with the great leader's name as a gift, as well as his visit to the ship with a long history, are his belief and expectation that all KPA officers and men will defend the party and the revolution, the country and the people, with their arms, always cherishing in their hearts the last teaching of the departed great leader.

With the noble desire and intention of the respected and beloved supreme commander Comrade Kim Chong-il etched on their hearts, all KPA officers and men are now burning with a renewed determination.

We will never forget the great leader's teachings to the KPA, not even for a moment, and thoroughly implement them.

Tightly holding the weapons of revolution the party provided us, we will securely protect the respected and beloved supreme commander Comrade Kim Chong-il, upholding his leadership with loyalty.

We will defend people-centered socialism and our country, the fatherland of chuche, vigorously and reliably protect the well-being of the people.

Our country, in defense of which our KPA stands on guard under the leadership of the respected and beloved supreme commander Comrade Kim Chong-il, is an impregnable fortress.

Rallies Promote Central Committee Slogans

SK2105113995 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 18 May 95

[FBIS Translated Text] Rallies to thoroughly implement the slogans of the party Central Committee on the occasion of the 50th anniversary of the founding of the Workers Party of Korea [WPK] were held in plants, enterprises, and cooperative farms in various places.

Functionaries, employees, and agricultural workers in pertinent units attended the rallies. Reports were made and discussions held.

The reporter and those who participated in discussions at the rally of employees at the Komdok mine complex said it is a glorious mission assigned to the working class in Komdok to brilliantly decorate the 50th anniversary of the founding of the WPK with zinc production increases, emphasizing measures to increase ore production.

The reporter and those who participated in discussions at the rally of employees of the General Bureau of the Yongsong Machine Complex said today the hearts of the working class in Yongsong are filled with loftier revolutionary zeal than ever before, and expressed a firm resolution to fulfill the important revolutionary tasks assigned the General Bureau this year ahead of the 50th anniversary of the founding of the party.

The reporter and those who participated in discussions at the rally of employees of the Namhung Youth Chemical Complex said all workers, technicians, and office employees in the complex who rose in the struggle to implement the slogans of the party Central Committee by upholding them, are filled with the zeal to produce large amounts of chemical fertilizer and chemical products needed for developing agriculture and light industry.

In addition, the Pyongyang Shoe Plant, Hyesan Youth Mine, Yonan County Chonchong Cooperative Farm, and Mundok County Tongnip Cooperative Farm held rallies to implement the slogans of the party Central Committee on the occasion of the 50th anniversary of the WPK's founding.

Reports were made and discussions were held at the rallies and resolutions were adopted.

Rallies' Activities Detailed

SK2105140295 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 17 May 95

[FBIS Translated Text] Rallies to thoroughly implement the slogans of the party Central Committee on the occasion of the 50th anniversary of the founding of the Workers Party of Korea were held by party shock brigade members and employees of plants and enterprises across the country.

Functionaries and employees in pertinent units attended the rallies. Reports were made and discussions took place at these rallies.

At the rally for party shock brigade members, the reporters and speakers pointed out they will meaningfully mark the 50th anniversary of the founding of the party and will actively contribute to glorifying our party's revolutionary history by completing the construction of the party founding monument at the highest level, which is being carried out according to the grand plan of the great leader [yongdoja] Comrade Kim Chong-il.

At the rally for employees of the 8 February Chiktong Coal Mine, the reporters and speakers said functionaries and workers, upholding the slogans of the party Central Committee in their warm hearts, will uphold our party's intention with increased coal production. They said that, with the strong responsibility of standing in the forefront of the general onward movement for implementing the party's revolutionary economic strategy, they will increase production by 121 percent over the same period last year before the 50th anniversary of the founding of the party by effecting a new upsurge in coal production.

At the rally for employees of the Pukchang Thermal Power Complex, the reporters and speakers said all functionaries and employees of the complex will produce 3.7 billion kwh [kilowatt hours] more electricity this meaningful year, which marks the 50th anniversary of the founding of the party, by accelerating the struggle to increase electricity production.

At the rally for employees of the Kimchaek Iron Complex, the reporter and speakers said the functionaries of Kimchaek, the great metallurgy basis of the North, are vigorously finding breakthroughs in implementing the party's revolutionary economic strategy with increased steel production, embracing the party Central Committee's slogans with their burning hearts. They said they will complete the construction of 40-odd self-reliant bases before the 50th anniversary of the founding of the party in order to increase steel production, and will complete the on-going construction of various export good production bases by the end of this year.

At the rally for employees of the Nagwon Machinery Complex, the reporters and speakers expressed the resolution to effect labor upsurges in implementing the slogans of the party Central Committee, with the pride of working in the place where the immortal leadership achievements of the respected and beloved leader and the great leader Comrade Kim Chong-il are permeated.

At the rally for employees of the Hungnam Fertilizer Complex, the reporters and speakers said that effecting a new upsurge in producing chemical fertilizers is the most important task arising before the working class of Hungnam Fertilizer Complex, setting forth measures for its implementation.

The rallies to implement the slogans of the party Central Committee on the occasion of the 50th anniversary of the founding of the party were held by employees of the Haesan Machinery General Plant, the Tongdaewon Clothing Plant, the November 8 Coal Mine, and the Kapsan Forestry Station.

Resolutions were adopted at the rallies.

Leaders, Cadres View Showing of Patriotic Film

Part of "The Nation and Destiny"

SK2105081195 Pyongyang KCNA in English 0809 GMT 21 May 95

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — Yi Chong-ok, Pak Song-chol, Kim Pyong-sik and other party and government cadres appreciated the second part of the working class section, part 26 of multi-part feature film "The Nation and Destiny" produced by the Korean Film Studio on May 20.

The film sincerely shows the efforts of the hero to arouse masses to rebuilding a converter in hearty response to the teachings of the great leader President Kim Il-song that the mettle of the Korean people should be demonstrated in the postwar rehabilitation and construction and to unite people with complicated background around the party without vacillation under the moves of the enemy.

"The Nation and Destiny" has been released in serial order as a monumental masterpiece of the era under the guidance of our party.

The first part of the working class section produced in April shows the steadfast faith and iron will of our working class to uphold the party with the increased production of steel by carrying through the line and policy of the party.

Attending Leaders Listed

SK2105101195 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 20 May 95

[FBIS Translated Excerpt] Under our party's guidance, recently the Korean Film Studio excellently produced part 26 of the multi-part feature film "The Nation and Destiny." On 20 May, the core members of the party and government appreciated this film in the 8 February Hall of Culture.

Comrades Yi Chong-ok, Pak Song-chol, Vice President Kim Pyong-sik, Comrades Kim Yong-nam, Choe Kwang, Chon Pyong-ho, Kim Chol-man, Choe Tae-pok, Choe Yong-nim, Hong Song-nam, Yang Hyong-sop, Hong Sok-hyong, Paek Hak-nim, Kim Kwang-chin, Hwang Chang-yop, Kim Chung-nin, So Kwan-hui, Kim Hwan, Chang Chol, Yun Ki-pok, Pak Nam-ki, Chon Mun-sop, and Mrs. Yu Mi-yong; members and candidate members of the Workers Party of Korea Central Committee in Pyongyang; responsible officials from the party, government organizations, administration and economic organizations, and public organizations; generals of the Korean People's Army; anti-Japanese revolutionary fighters; responsible officials from science, education, culture, art, public health, publication and press domains; and professors and doctors appreciated the film. [passage omitted on content of film]

Continuing Support to 'Cause of Justice' Noted

SK2405105095 Pyongyang KCNA in English 1007 GMT 24 May 95

["Korean People's Invariable Support and Solidarity To Cause of Justice" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 24 (KCNA) — The Workers' Party [WPK] and the people of Korea have extended full support and solidarity to the revolutionary parties and peoples as well as to all the countries and nations in the struggle for independence and justice, in each period and stage of the developing revolution under the ideas and theories and policies on the unity and solidarity advanced by the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il. This position still remains unchanged and will be invariable.

NODONG SINMUN declares this in a by-lined article today.

These steady support and solidarity of our party and people to the cause of justice are evidently manifested in the calls of the WPK Central Committee published on the 50th anniversary of its foundation, the paper notes, and says:

The Workers' Party and the people of Korea are strengthening unity and solidarity with the revolutionary parties whose ideal is socialism.

The WPK and the government of the Democratic People's Republic of Korea regard it as their honorable mission to realize the Korean people's independence through building of socialism as well as to struggle for global independence.

Our party and people are extending support and solidarity to the revolutionary parties and peoples in the struggle for the rebuilding of socialism.

They encourage those revolutionary parties and peoples in the struggle for the reconstruction of socialism, with the practical achievements in socialist construction in Korea and by giving play to the superiority of socialism.

The Korean people are also supporting the struggle of peoples who aspire after socialism while opposing the exploitation and oppression by capital, and strengthening solidarity with them.

Our party and people strongly reject the anti-popular, reactionary policy of the capitalist class who are engrossed in exploitation and plunder, curbing the independence of the working masses, and the imperialists' moves to check the struggle of the developing countries desirous of socialism.

In particular, we are giving disinterested support to the developing nations in the struggle against neocolonialist exploitation and plunder and for the building of a new society.

The Korean party and people will, in the future, too, extend full support and encouragement to all the nations in the struggle against aggression, subjugation, exploitation and oppression and for national independence and sovereignty and socialism, and thus make an active contribution to the accomplishment of the working masses' cause of independence.

Collectivism Based on Chuche Idea Stressed

SK2405042495 Pyongyang Korean Central Broadcasting Network in Korean 2241 GMT 22 May 95

[Unattributed talk from "The Ray of Chuche" program: "Chuche-Oriented Explanation on Collectivism Ideology"]

[FBIS Translated Text] Collectivism is the ideological basis of socialism. In essence, the socialist ideology is a collective ideology, and the socialist society is a society based on collectivism. Therefore, it is of the utmost importance to scientifically explain collectivism in consummating the socialist idea and in building the socialist society.

As a socialist ideology, the ideology of collectivism has been constantly developed with the progress of socialism. The preceding revolutionary theory specified that one cannot individually achieve one's class-oriented liberation, but can instead liquidate exploitation and suppression by the might of the working class which is united in a collectivist manner, thus achieving true liberation and equality. Also, it declares that collectivism becomes an important principle of activity in the revolutionary struggle of the working class.

However, as a socialist ideological basis, this cannot be regarded as a perfect explanation for collectivism. The ideology of collectivism has been developed at a new and higher stage because the great leader Comrade Kim Il-song created the immortal chuche idea and, based on it, newly developed and consummated the socialist ideology. As a result, this is fully consummated by the great leader Comrade Kim Chong-il who glorifies the revolutionary ideology of the fatherly leader as the great guiding ideology, using his energetic and theoretical activity.

What is important in explaining collectivism in a chuche-oriented manner is to scientifically elucidate the essential of collectivism as the intrinsic demand of man, a social being.

The great leader Comrade Kim Chong-il indicated: Collectivism is the intrinsic demand of man.

In short, collectivism is an ideology that regards the collectivistic advantage as more important than individual advantage. The ideology that regards the collectivistic advantage as more important than the individual's advantage does not mean it absolutely gives priority to the common advantage of collectivism while ignoring individual's advantage.

Collectivism respects the common advantage of the collective body as well as values the advantages of all members who belong to the collective body. Collectivism opposes individualism if it pursues only an individual's advantage at the expense of the collective advantage, rather than opposing the individual's advantage in and of itself.

The essence of collectivism lies in sharing one's fate while cooperating with each other under the slogan "One for All and All for One." Collectivism is not designed by anyone, but is an intrinsic demand of man.

The great leader Comrade Kim Chong-il has scientifically, theoretically, and perfectly elucidated that collectivism is an intrinsic demand of man. The reason for collectivism becoming the intrinsic demand of man is because man is a social being able to pioneer his destiny only in social groups.

Man is a social being. Man's intrinsic characteristics lie in that man is a social being who lives under social relations, forming a social group. One can exist and develop only if one conducts activities that form a social group. The course in which one lives and develops is the course in which one's independence, creativeness, and consciousness are embodied and in which they are constantly enhanced.

This independence, creativeness, and consciousness is the social character that can be formed and developed in the course in which one conducts activities that form a social group. One can achieve an independent demand through the creative activity of remolding nature and society. One can remold nature and society only by the collective cooperation of the social members, and not as individuals, thus achieving independent demands. This shows that living while forming the social group is a way of existence that cannot be departed from.

For one to live while forming the social group, one should achieve the collective body's independent demand as well as the individual's independent demand. This can be settled only by collectivism. Here the meaning of the collective group's independent demand is the common demand of the social members for their existence and development. Also, the individual's independent demand is a demand one has as an equal member of the social group. This is the demand that can be properly guaranteed by the collective body as a result of one's contribution to the social group.

The demand is fundamentally different from individual greed that disregards the collective and subjects everything to individual interests. Collectivism makes people properly combine the independent demands of the collective with that of individuals, excellently achieving those demands. Collectivism makes people realize that individual interests lie in the common interests of the collective, and that the individual interests are fulfilled when the common interests are fulfilled. Collectivism also makes them help each other and unite in the struggle so they display the powerful strength that is mightier than the individual's limited strength in reforming nature and society. Miracles and innovations that surprised the world were created one after another in our country, including the Sohae Lockgate, which was completed in five years. This is clear proof that the might of collectivism is far mightier than individual strength.

Collectivism is an inherent demand of human beings because to form a social collective and carry out activities is the way for human beings to live and because their independent demands can be excellently achieved only through collectivism. The ideology that collectivism is the inherent demand of human beings is indeed a profound and unique ideology that can only be presented by the great leader [yongdoja] Comrade Kim Chong-il, who possesses an extraordinary wisdom about ideology and theory as well as a boundless loyalty toward the socialist cause, and who developed and integrated the socialist ideology with sleepless and restless energetic ponderings and research.

The ideology that collectivism is the inherent demand of human beings fully elucidated by the great leader Comrade Kim Chong-il is significant in terms of ideology and actual practice. Above all, ideology makes people possess a genuine view of life and devote everything in the struggle for society, the collective, the party, and the revolution. A theoretical basis and mental pillar has been provided for people to enjoy the rewards and happiness of life to their content, bearing the genuine view of life—the collectivist view. The ideology that collectivism is the inherent demand of human beings is the basis of the chuche-based view of life, which defines the most valuable and rewarding life as one that combines the individual's destiny with the destiny of the social collective, devotedly serves the social collective, and enjoys an independent and creative life in the love and faith of the social collective.

The ideology that collectivism is the inherent demand of human beings fully and clearly explained the inherent superiority of socialism and the method to unsparingly demonstrate that superiority. The ideology that collectivism is the inherent demand of human beings fully proved that a socialist society is the most advanced and superior society in conformity with the independent character of human beings, and that a socialist society based on collectivism is an invincible society that will last forever with mankind. The ideology also provided a lofty guideline that in order to build a genuine people-oriented socialism and excellently achieve the independent demand of human beings, the indoctrination of collectivism must be ceaselessly deepened among the people, and the collectivist principles must be thoroughly implemented in all aspects of social life.

The ideological theory of the great leader Comrade Kim Chong-il that collectivism is the inherent demand of human beings is a mighty ideological and theoretical weapon that gives a decisive blow to the sophism of the imperialists and their mouthpieces who distort the character of human beings and maneuver to make the people ideologically and mentally ill. This ideology exposed the nonscientific, false, and deceptive aspects of the sophism which holds a distorted theory that individualism is the character of human beings and which lectures about the so-called eternity of capitalist society that is ruled by the law of the jungle. The antipopular character of capitalism can no longer be concealed. The new explanation about collectivism by the great leader Comrade Kim Chong-il is a unique contribution to the development of socialist ideology and an immortal militant banner that consistently develops the overall socialist movement on a new scientific basis.

All party members and working people should bear pride and self- confidence in having the great leader Comrade Kim Chong-il, a great ideological theorist, at the fore of the socialist cause, living and carrying out the revolution in the most invincible socialist society where the chuche-based socialist collectivism is embodied; they should further vigorously wage the struggle to make our country and fatherland more prosperous and ti show off the might of the chuche-based socialism to the entire world.

Pukchang Thermal Power Complex Improves Output

SK2305063095 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 22 May 95

[FBIS Translated Text] Electricity producers of the Pukchang Thermal Power Generation Complex are determined to thoroughly implement the slogans of the party Central Committee and to further glorify the grand October festival. They are vigorously waging the struggle to normalize power generation at a high level.

Comrade Cho Chung-chol, deputy chief production engineer of the Pukchang Thermal Power Generation Complex, stated:

[Begin Cho recording] The electricity producers of our complex received the slogans of the party Central Committee with deep emotion. They are vigorously waging the struggle to enthusiastically normalize power generation. Upon receiving the slogans of the party Central Committee, technicians and operators of No. 1, 3, 12, and 16 generators responsibly handled the maintenance of their equipment and normalized power generation on a high level. As of the middle of May, the No. 1, 3, 12 and 16 generators each generated 9 to 10 million kilowatt-hours more as compared with the same period last month.

Working people and technicians of the heroic maintenance work shop of the No. 2 and 8 Generator Repair Unit and the No. 8 and 9 work shop vigorously waged the struggle to implement their maintenance plans ahead of schedule. They are daily overfulfilling maintenance targets by 2.3 times.

We, the energy fighters of Pukchang, will keep waging the vigorous struggle with the same spirit and will achieve the high power generation goal before the 50th anniversary of the party's founding without fail. [end recording]

Power Plants in Chagang Increase Production

SK2205010995 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 21 May 95

[FBIS Translated Text] Various small- and medium-sized power plants in Chagang Province have gained achievements by vigorously carrying out the struggle to increase power production.

According to statistical data, as of 18 May, operational enterprises in the small- and medium-sized power plants in Chagang Province have gained achievements by completing over 70 percent of the monthly target.

Workers of Chonghak power plant stand at the vanguard of the struggle to increase power production. With a high sense of dignity and pride of working at the glorious workshop where the dear leader Comrade Kim Chong-il had once visited, they increase power production using a small quantity of water by operating facilities at full capacity, thus concentrating efforts on managing facilities.

Workers of small- and medium-sized power plants in Tongsin and Changgwang districts are increasing power production every day by unanimously rising to implement the party Central Committee's slogan on the occasion of the 50th anniversary of the founding of the party.

Construction Achievements Marked on Holiday

SK2005150795 Pyongyang KCNA in English 1506 GMT 20 May 95

[FBIS Transcribed Text] Pyongyang, May 20 (KCNA) — Builders across Korea are greeting their holiday (May 21) with achievements in construction.

The constructors for the monument to the party foundation carried out concrete tamping of the monument, underground facilities, car park and other projects in the main in a short span of time. They are now raising the construction speed two or three times on a daily average.

The builders for the second-stage Hoeryong-Haksong Railway electrification project and the Aeguk Institute of Acupuncture and Moxibustion of the Koryo Medicine General Hospital are pushing ahead with their work to finish the projects in a short period.

The constructors have built a large number of industrial establishments, towns and villages and monumental edifices in the past.

In the period of the fulfillment of the Third Seven-Year Plan (1987-1993) alone, over 11,000 industrial establishments, houses for over one million families, 3,200 educational, cultural and health service institutions and catering facilities were built in Korea.

In agriculture, waterways with a total length of 10,400 kilometres including a 800 km-waterway were taken into shape and more than 12,400 pumping stations, 192 reservoirs and 16,000 establishments for the use of underground water built.

In railways, sections extending over 800 kilometres were electrified.

Anniversary of Potong River Project Marked

SK2105082195 Pyongyang KCNA in English 0818 GMT 21 May 95

[FBIS Transcribed Text] Pyongyang, May 21 (KCNA) — A meeting of working people in Pyongyang was held on May 20 to mark the 49th anniversary of the participation of the great leader President Kim Il-song in the ground-breaking ceremony of the Potong River improvement project in Pyongyang on May 21, 1946.

when he kindled the first torchlight of the grand nature-remaking.

President Kim Il-song saw to it that the project was conducted to protect Pyongyang citizens from flood damage as the first work of the grand nature-remaking right after the liberation of the country, before taking the first shovel of the ground-breaking.

It was stressed at the meeting that this was a solemn prelude to the building of a new country for the infinite prosperity of the country and the eternal happiness of posterity and an encouraging banner which aroused all the people to the drive to change the land of the country as demanded by chuche.

Korea has erected the monument to the Potong River improvement project on Ponghwa Hill to hand down the immortal feats of President Kim Il-song forever and observes May 21 every year as day of the builders.

The meeting called for taking an active part in the worthwhile work to change Pyongyang into a more grandiose and splendid city according to the far-reaching city construction plan of President Kim Il-song and the Workers' Party of Korea.

Mechanization of Agriculture Described

*SK2205111095 Pyongyang KCNA in English
1042 GMT 22 May 95*

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — Tractors and rice-transplanting machines are now in full-capacity operation in paddy and non-paddy fields of Korea in May, an important farming season.

Farm machines are doing their share in finishing maize and rice transplanting and other farming processes in time.

The seasonal farming in Korea is guaranteed by the mechanisation of agriculture.

The great leader President Kim Il-song put forward a task to realize the mechanisation of agriculture in his work "Theses on the Socialist Rural Question in Our Country" (February 25, 1964).

Over the past 30 odd years since the publication of the theses the task has been carried out and the number of trucks serving agriculture increased 5 times, tractors 6 times, weeding machines 5.6 times, combined thrashers 7 times and combined rice harvesters 1.5 times.

Every subworkteam of all the state-run farms and cooperative farms has more than one rice transplanting machine and rice seedling plucking machine. Almost all farming from ploughing of paddy and non-paddy fields to sowing, rice transplanting, weeding, harvesting, threshing and carriage is carried out with the help of machines.

Machines serving agricultural domain account for more than 100 kinds.

The mechanisation of agriculture is materially guaranteed by the Kum Song general tractor works, the "Chungsong" tractor factory, the Haeju trailer farm machine factory and hundreds of other farm machine producers.

South Korea

U.S. Soldiers Accused of Assaults on Citizens

Students Protest Alleged Assaults

*SK2205110095 Seoul YONHAP in English
1037 GMT 22 May 95*

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — About 30 students of Tanguk University demonstrated in front of the foreigners apartments at Hannam-tong, Yongsan-ku Monday afternoon to protest against the cases of assaults by American servicemen of Korean citizens.

The students belonging to the University's Committee for Unification of the Fatherland thronged to the gate of the apartments around 3:10 pm and threw bottles and bags containing painting inside the gate.

In the protest, the students asserted they cannot sit idly by the recent series of gang assaults by American servicemen of Korean people. [sentence as received]

One of the students said they were stirred especially by the recent incident in which a Korean man, Cho Chong-kuk, was battered by a group of American soldiers in a Seoul subway last Friday night.

The students demanded that the servicemen involved be sternly punished and U.S. military authorities make an open apology.

Minister Contacts USFK Head

*SK2305023995 Seoul THE KOREA TIMES in English
23 May 95 p 3*

[FBIS Transcribed Text] Defense Minister Yi Yang-ho deplored unruly acts by some U.S. soldiers in a letter sent to Gen. Gary Luck, commander of the U.S. Forces Korea (USFK) yesterday, apparently pointing to five USFK soldiers' fondling of a Korean woman and the subsequent beating of a Korean man on a Seoul subway station Friday.

In the letter, Yi said that the USFK is being negatively viewed due to some of its personnel's unlawful acts, which he fears will incur damage to its dedicated efforts to keep peace on the Korean peninsula.

A ministry official said that it is unusual for a Korean defense minister to send such a letter following an unhappy episode involving the U.S. soldiers and Korean civilians, although probably not unprecedented.

Most of the seven-paragraph letter was devoted to praising the unswerving efforts by the U.S. soldiers to participate in the joint effort with the Korean Armed Forces to deter North Korea from mounting provocations and keep peace on the peninsula.

Yi mentioned that Korea and the U.S. have consolidated their joint posture against possible North Korean aggression but indicated that consolidation will be damaged by a repeat of Friday's incident.

Prosecutors To Question 5 Soldiers

SK2405030195 Seoul KBS-1 Radio Network in Korean 0200 GMT 24 May 95

[FBIS Translated Text] In connection with the collective violence by U.S. Army soldiers in the Chungmu-ro subway station, Criminal Department-6 of the Seoul District Prosecutor's Office today requested the Justice Ministry and the U.S. Government to prohibit the departure from the ROK of five persons involved in collective violence against ROK citizens. The five include PFC Anderson, 21, of the U.S. Eighth Army. The Prosecutor's Office informed the U.S. Army authorities of this.

The Prosecutor's Office said it will take the five persons, including PFC Anderson, into its charge on 25 May for investigation by the police.

The Prosecutor's Office requested the prohibition of departure to secure the custody of these persons since some of those who participated in the violence are expected to leave soon for the United States upon completion of their service in the ROK.

PFC Anderson and others, in a state of drunkenness, sexually fondled a female passenger in her forties and beat protesting passengers, thus engaging in collective violence at the Chungmu-ro subway station around 2200 [1300 GMT] on 19 May.

'Arrogant' U.S. Attitude Viewed

SK2405070995 Seoul SEOUL SINMUN in Korean 24 May 95 p 6

[By reporter Pak Chae-pom; from the "Today's Eye" column]

[FBIS Translated Text] On 23 May, an announcement was made by the U.S. Forces Korea [USFK] at the press room of the National Defense Ministry to reveal the USFK position in connection with the recent incidents involving American soldiers.

Colonel Sullivan, a spokesman for the USFK, read a 30-minute press statement, wearing a cold facial expression. The press statement was translated by a USFK official.

The announcement of the USFK position attracted special attention because it took place after National Defense Minister Yi Yang-ho sent a letter of protest to USFK Commander Gary Luck the day before in connection with the recent beating incidents of Korean civilians by American soldiers.

Saying "an investigation of the incidents is underway, including the beating of a Korean woman by American soldiers at a Seoul subway station, which occurred last weekend," the USFK claimed: "However, the ROK media's reports on the recent incident involving American soldiers leave room for criticism."

The USFK continued: "The incident, which took place at a Seoul subway station, was not 'violence committed by drunken American soldiers.' Instead, they (American soldiers) should be portrayed as 'victims.'"

The USFK argument was "there is no evidence that the beaten Korean needed medical treatment for a considerable period of time." The USFK also claiming "there was no sexual harassment by American soldiers on a subway, and rather, the American soldiers were beaten by a group of Koreans."

The USFK argument did not end here.

Saying "We are well aware of a group that tries to expand even minor incidents involving USFK soldiers into a negative view," the USFK denounced: "We cannot put up with such unfair and evil-minded views."

In conclusion, the USFK stated: "Our presence here is to ensure the peace for the people of the ROK and the United States, and we will continue to stay here as long as the ROK wants and as long as the United States needs to."

As the announcement of the USFK press statement proceeded, a serious atmosphere hung over the press room. This atmosphere continued to hang over the room for a while after the announcement, resulting not from whether the USFK's claim about the incident of sexual harassment by U.S. soldiers at a Seoul subway station is true or merely a far-fetched assertion, but because we were surprised to see the U.S. Army's characteristically arrogant attitude of "We haven't done anything wrong."

While the announcement of the USFK press statement proceeded, ROK policemen were intensifying security in front of the main gate of the USFK Headquarters near the National Defense Ministry building against possible Korean demonstrations.

Incident Prompts New Scrutiny of SOFA Pact

SOFA 'Loopholes' Decried

SK2305023895 Seoul YONHAP in English 0143 GMT 23 May 95

[By Katherine Y. Kim]

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — The five American servicemen who allegedly assaulted a Korean citizen at a Seoul subway station last Friday night [19 May], and the eight inebriated GIs who allegedly attacked three Korean nationals in Chunchon, Kangwon Province Sunday night are currently undergoing prosecution procedures under Article XXII of the Status of Forces Agreement (SOFA).

Provision 1 (B) of this article on criminal jurisdiction claims that "the authorities of the Republic of Korea shall have jurisdiction over the members of the United States Armed Forces or civilian component, and their dependents, with respect to offenses committed within the territory of the Republic of Korea and punishable by the law of the Republic of Korea."

When an American serviceman commits a crime, it sets off a rush of protests across the nation, as many activists believe the accused are not prosecuted to the fullest extent of the Korean law.

The demonstrators allege that the "ambiguity" of the SOFA excuses the defendants. The protestors often complain that under SOFA, the American soldiers are saved by loopholes in the treaty.

Friday's incident sparked a protest by about 100 angry citizens at the Chungmuro subway station late that night, calling for the just punishment of the drunken American soldiers, and triggered student demonstrations in Seoul and Kwangju on Monday. No doubt Sunday night's incident will add fuel to the fire.

However, the Korean police and the U.S. Provost Marshal Office, the office in charge of the U.S. Military Police, are currently working together to prosecute the American soldiers.

According to Saturday's press reports on the incident, five U.S. soldiers, and eight others who were accompanying them, were "rowdy" and drinking beer on a No. 3 subway train at 10:50 pm [1350 GMT] Friday night. One of the soldiers accosted a Korean woman and "touched her on the hip."

When the Koreans on the train forced the soldiers to get off at the Chungmuro stop, they "beat and kicked a Korean accuser, who sustained injuries that are expected to require two weeks of treatment."

The Chungmuro subway police arrived and were also attacked by the group using their beer mugs. Later, the five soldiers, one of which is reportedly a woman, were booked at the Chungbu police station.

Under the SOFA agreement, as the accused soldiers were first in the custody of the Chungmuro subway police, then the Chungbu police station, the Korean police had to notify the eighth U.S. Army MPs of the incident and turned them over to United States Forces in Korea (USFK) custody that evening.

On Monday afternoon, the Chungbu police station issued a subpoena, summoning the soldiers for further questioning. The soldiers were requested to appear at the Chungbu police station at 9:00 am [0000 GMT] Thursday morning.

The police are also reportedly expediting the procedures, as Cpl. Abraham Anderson, aged 21, the only defendant identified so far, is scheduled to leave the country on May 31, as his tour of duty will be completed on that date.

An officer at the External Affairs Division of the Korean National Police Agency (NPA), stated that one of the soldiers under investigation is due to leave in late May or early June, and that he cannot leave the country as scheduled.

The Korean Government wants to keep him in the country until the investigation is completed.

Jim Coles, public affairs officer for the USFK, stated, "We are obligated, we have no choice — since this was clearly off-duty — and we would never deviate, to make these guys available."

When asked when the soldiers would report to the Chungbu police station, Coles replied, "Whatever time that the Korean prosecutor says that he wants to see them, is the time that he will see them."

The spokesman could not confirm that Anderson was one of the accused, nor that one of the soldier's tours will finish at the end of the month, but he stated, "If the prosecution needs them beyond their rotation date, then we keep them.

"We do not allow them to leave until the Korean Government is finished with them," Coles affirmed.

After Thursday's interrogation, the police at Chungbu will deliver their report to the USMP office, according to the NPA officer identified only as Lt. Yim, then the Ministry of Justice will decide whether or not to exercise jurisdiction.

When asked what is usually the case in these incidents, Lt. Yim noted, "this case is complicated. It will take a long time to decide."

In Sunday night's alleged attack in Kangwon Province, which involved eight drunken American soldiers who reportedly attacked a Korean taxi driver and two Korean passengers, it was reported that the injuries two of the alleged Korean victims sustained will require two to three weeks of treatment.

Cpl. Paul Jullen, aged 22, stationed at Camp Page and seven other servicemen were turned over by local Korean police to American MPs on Monday.

Last Tuesday, in a strange harbinger to last weekend's events, THE KOREA TIMES, an English newspaper, reported that the Seoul District Prosecutor's Office has "decided to strengthen and actively seek exit bans on U.S. soldiers, military personnel and their families suspected of committing crimes in an effort to discourage their crimes and mete out due punishment."

The prosecution's independent move seems a serious act in disregard of the SOFA agreement, but the prosecutor reportedly claimed, "The decision is aimed at closing possible loopholes and ascertaining that their crimes be fully accounted for and dispensed with due punishment."

The author of the piece maintained his article is still valid. However, both the USFK and Seoul's district prosecution seemed unaware of the change.

"The Korean Government has not made any requests for meetings to revise the SOFA," Coles replied.

And the Seoul District Prosecutor's Office claimed that the position of the SOFA prosecutor is in transition, and the next person responsible is presently in training under the Ministry of Justice, and will continue the training for two more weeks. A temporary replacement was installed, a Mr. An, but he was only at the SOFA desk for one day, so he was not qualified to comment, the prosecutor's office's spokesman said.

The American affairs division spokesman, Yi Won-ik, at the Foreign Ministry was aware of Tuesday's report in the English-language daily. Yi said he contacted a prosecutor in charge of affairs related to SOFA at the Ministry of Justice, who said that there were no grounds for the report, but that the ministry does plan to adhere to the present exit ban in a stricter manner under the current SOFA agreement.

According to the USFK, the U.S.-Korea SOFA, based on the U.S.-Japan SOFA, "covers everything concerning USFK military and civilian personnel and their dependents — from their entry into, until their exit from the Republic of Korea."

The agreement was signed on July 9, 1966, in Seoul, by then-Foreign Minister Yi Tong-won and Chief Justice Min Pok-ki, on the part of the host country, and then-State Secretary Dean Rusk and Ambassador to Seoul Winthrop Brown, from the U.S. side. It went into effect on February 9, 1967.

Officials To Review SOFA

SK2305013095 Seoul THE KOREA TIMES in English 23 May 95 p 2

[By staff reporter Son Ki-yong]

[FBIS Transcribed Text] The government will convene an inter-ministerial meeting to decide its official position on the criminal jurisdiction clause of the Korea-U.S. Status of Forces Agreement (SOFA) which became the target of criticism, officials said.

In the long-term, Korea is expected to propose some revisions to unfair SOFA regulations. However, the Foreign Ministry thinks that it is not appropriate to raise the issue at next month's biannual SOFA Joint Committee meeting.

The bilateral agreement became the focus of the Korean media's attention once again as U.S. servicemen stationed here beat Koreans at a Seoul subway station Friday [19 May] and at a street near Camp Page in Chunchon, Kangwon Province, yesterday.

The bone of contention is SOFA's Article 22 stipulating criminal jurisdiction over "members of the U.S. armed forces, the civilian component or their dependents."

"If he (the accused) is in the hands of the Republic of Korea, he shall, on request, be handed over to the military authorities of the United States and remain in their custody pending completion of all judicial proceedings and until custody is requested by the authorities of the Republic of Korea," the article reads.

Even though the U.S. servicemen accused of beating Koreans were arrested by Korean police, they were soon transferred to U.S. military authorities due to the SOFA regulations.

The American suspects exercised the right to remain silent while in the custody of Korean police, apparently upon instruction from the U.S. military authorities, a situation which prevents Korean police from getting a clear picture of what exactly happened.

The unfairness is also evident when the agreement between Seoul and Washington is compared with its counterpart between Tokyo and Washington.

"Japanese police are empowered to investigate criminal cases with suspected U.S. servicemen in their custody," a ministry official said.

In Germany, however, the U.S. military authorities have the primary jurisdiction over their servicemen involved in crimes. "In Germany, we can presume that the United States and Germany share almost the same approach in dealing with criminal cases," he said.

In contrast to the German police, Korea's law enforcement authorities are still seen as using beatings and other brutalities to get confessions from criminal suspects, a residue of past authoritarian regimes.

"The United States sees that Korean law enforcement authorities are not abiding by the principle that all suspects are presumed innocent before the ruling is handed down. It is also critical of the fact that Korean police resort excessively to detention of criminal suspects in the course of investigation," he said.

Other than this basic principle, the official admitted the shortcomings of Korea's detention facilities which are seen by Americans as inadequate, far behind the level of advanced countries.

"Even though SOFA contains some unfair regulations, they are exaggerated frequently," the official said.

According to the official, SOFA was created in 1967 when the United States was a major donor country to Korea, then an underdeveloped country.

Therefore, the agreement contained many unfair regulations which grant "privileges and exemptions" for U.S. servicemen stationed here.

The agreement was revised in 1991 in the direction of rectifying the imbalances such as the automatic transfer of jurisdiction over criminal convicts.

Along with the criminal jurisdiction, Seoul is also seeking to improve environment-related regulations of SOFA.

Many U.S. Army bases and facilities became the target of criticism from Korea's media for their relentless discharge of pollutants.

Dailies Urge New SOFA

SK2405080295

[FBIS Editorial Report] Local vernacular dailies on 24 May carry editorials reacting to recent reports alleging erratic behavior by some U.S. servicemen towards ROK citizens, such as the fondling of a woman and the beating of a bystander who tried to help at a Seoul subway station. The editorials call for the revision of the ROK-U.S. Status of Forces Agreement [SOFA] and for the authorities of the U.S. Forces in Korea [USFK] to take measures to prevent such acts from being repeated.

The conservative CHOSON ILBO carries on page 3 a 500-word editorial titled, "SOFA Should Be Revised." The editorial begins: "The recent series of cases of delinquency by U.S. servicemen in the ROK brings to light the need to contemplate a revision of the unreasonable clauses of the SOFA." The editorial notes that despite a revision to the SOFA in 1991, it still retains many clauses unfair to the ROK, such as restrictions limiting the investigative activity of the police and the exercise of judicial jurisdiction by the ROK. The editorial goes on to say that this unequal agreement acknowledges the "extraterritorial rights" of U.S. servicemen accused of crimes, and constitutes an undesirable "stumbling block" to the true ties of friendship between the ROK and the United States. The editorial welcomes the report of government plans to revise the SOFA in the second half of this year, and hopes that the government and the U.S. authorities will acknowledge that, compared to the U.S. Status of Forces Agreements with Japan and Germany, the U.S.-ROK SOFA has disadvantageous clauses that stipulate judicial jurisdiction and investigative rights. The editorial concludes by calling for the formation of a SOFA that is suitable for the changing times.

The pro-government SEOUL SINMUN carries on page 3 a 600-word editorial titled. "SOFA Should Be Revised." The editorial begins: "The adverse effects on ROK-U.S. friendship of unfair agreements between the ROK and the United States, such as the SOFA, are unfortunate." The editorial notes the most controversial clause — namely, article 22, paragraph b — which limits the ROK's judicial jurisdiction, as well as paragraph 5 which restricts the ROK's detention and investigation rights, and paragraph 7 which restricts the ROK's right to carry out a sentence calling for a prison term. The editorial says: "In all societies, people commit simple acts of delinquency. The unjust protection of such simple delinquencies by unfair agreements like the SOFA stirs up anti-American sentiment amongst Koreans, and will not be favorable for either the United States or the ROK."

The moderate CHUNGANG ILBO carries on page 5 a 600-word editorial titled: "We Urge the USFK Authorities." The editorial begins: "We are angered by the series of erratic behaviors by U.S. servicemen with the USFK toward ROK citizens." The editorial notes that "the recent series of erratic behaviors by the U.S. servicemen at a time when Koreans are complaining about U.S. trade pressure on meat and the farm produce market are bound to provoke our people's sentiments far more than under ordinary circumstances." The editorial concludes: "As a small live coal can grow to become a large fire, so can a little ill-feeling grow larger and deeper until it becomes difficult to heal. We hope the USFK authorities will educate and supervise the servicemen thoroughly to prevent the provocation of ill-feeling and to honor the people."

The moderate HANGUK ILBO carries on page 3 an 800-word editorial titled: "The SOFA Needs Revision." The editorial notes clauses in the SOFA restricting the ROK's investigative and judicial rights, and blames the ROK Government for its tendency to forfeit its right to exercise judicial rights on many occasions. The editorial then observes: "If the government does not take a resolute attitude, an increasing number of ROK citizens will suffer from beatings and sexual assaults by U.S. servicemen. The rising incidence of erratic acts by U.S. servicemen could cause a rift in the friendly atmosphere between the peoples of the two countries."

The left-leaning HANGYORE SINMUN carries on page 3 an 800-word editorial titled: "We Should Hasten the Revision of the SOFA." The editorial notes that despite the apology by the USFK authorities for the "violence" of the U.S. servicemen at the subway station and the ROK defense minister's letter of protest to the USFK commander on the same case, "the ROK people's anger at the arrogance of the U.S. servicemen's crime is unlikely to die down easily." The editorial notes unfair clauses in the SOFA, calls for the revision of unfair clauses of the SOFA, and criticizes the government for its passive attitude of abandoning the right to exercise judicial jurisdiction in dealing with U.S. servicemen's crimes. The editorial concludes by saying: "The United States should actively respond to the call for a revision to the SOFA. The USFK are only 'allied forces' and are not occupation forces. The USFK is in the ROK not only to defend the ROK, but for the national interests of the United States."

Dissolution of U.S. Commerce Department Decried

SK2305064995 Seoul YONHAP in English
0619 GMT 23 May 95

[FBIS Transcribed Text] Washington, May 22 (YONHAP) — The deactivation of the U.S. Commerce Department as proposed by the majority Republican Party, as part of its plan to streamline the federal government, would have a negative impact on South Korea's trade with the United States, officials said Monday [22 May].

One official, who is directly involved in trade relations with Seoul, explained the Republican proposal calls for the transfer of major functions of the Commerce Department to other federal agencies including the merger of the International Trade Agency, which is in charge of U.S. foreign trade, into the office of the U.S. Trade Representative (USTR).

Accordingly, the jurisdiction over commercial attaches at U.S. diplomatic missions overseas would shift from the commerce secretary to the USTR, which would mean the U.S. foreign trade policy would become less flexible, he said on the condition of anonymity.

Another official, also involved in trade relations with South Korea, said he understands the Seoul government considers the USTR to be more difficult to deal with than other federal agencies, adding that the Commerce Department's death would by no means be positive for Seoul.

Some members of the U.S. Congress have proposed that foreign trade-related employment created by the Commerce Department be transferred to the State Department, and this view will be examined if the Commerce Department is dismantled in the Republican proposal to streamline the U.S. foreign trade machine.

THE WALL STREET JOURNAL reported Monday the House majority leadership would announce a plan Tuesday to deactivate the Commerce Department.

Hyundai Plans Major U.S. Memory Chip Plant

SK2305065795 Seoul YONHAP in English
0642 GMT 23 May 95

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — Hyundai Electronics Industrial Co. plans to build the world's largest memory chip factory in the United States with a 1.3 billion-U.S.-dollar investment.

The firm's Chairman Chong Mong-hun told a press conference Tuesday [23 May], "Through our locally incorporated affiliate, Hea, we plan to build a 64-mega dram chip factory, on a 250,000-pyong (one pyong equals 3.3 square meters) plot in Eugene City, Oregon, that can process 30,000 8-inch waifers per month."

Construction of the factory will begin in August of this year and [be] completed by early 1997, with a goal of mass producing chips by March of that same year, according to Chong. A consortium of some Korean and foreign financial institutions will float bonds in U.S. money markets to raise the entire fund needed for the investment, which is to be made in Hea's name.

Upon completion, the plant will be the largest single factory of its kind in the world.

The largest existing chip factory currently produces 15,000 to 20,000 8-inch waifers per month.

Hyundai Electronics Industrial Co. will be the first South Korean firm to build a memory chip factory in the United States.

From the projected factory, Hyundai Electronics envisions a turnover of 140 million U.S. dollars in 1997, 800 million dollars in 1998, and over 1.6 billion dollars in 1999 when chip production is forecast to be in full swing.

Eugene has been chosen as the site of the projected chip factory in view of easy access to chip technology, manpower and relatively favorable terms of investment, including local tax benefits, Chong said.

Samsung Licensed To Overhaul U.S. Plane Engines

SK2405004795 Seoul THE KOREA HERALD in English 24 May 95 p 8

[FBIS Transcribed Text] Samsung Aerospace Industries Co. has received a certification for overhauling T56 Turboprop engines and A250 Turboshaft engines, each mounted on C-130 transport and P-3C antisubmarine patrol planes, from Allison of the United States, the company said.

With the award of the certification, Samsung Aerospace will be allowed to take charge of the overhauling of all Allison-produced engines sold in the Asian region.

The Korean aerospace company is expected to explore the Asian market, which is predicted to stand at $100 million in the next six years.

Samsung Aerospace said it expects its overseas sales to rise to $200 million per annum in the year 2000 in the global markets of propeller aircraft and engines for small helicopters.

U.S. Firms Accused of Unfairly Lobbying North

SK2405055695 Seoul CHOSON ILBO in Korean 24 May 95 p 3

[Editorial: "Harassing the ROK Style?"]

[FBIS Translated Text] Even though U.S. companies officially support the ROK position on supplying light-water reactors to North Korea, evidence has been uncovered to prove they unfairly lobbied to sell their own products. This is very disappointing and grievous.

If the U.S. companies in question had centered their business objectives around the peaceful development of nuclear energy, they would at least have had the vision to expand the peaceful use of nuclear energy. If they concentrate on short-term profit, their corporate activities are bound to be uncivilized.

According to the data obtained, ABB-Combustion Engineering provided North Korea with a "comparison base" highlighting the strengths of its "System 80-plus" reactor while leaving out the merits of Ulchin No. 3 and 4 in order to induce North Korea to select its products. North Korea asserts that ROK-style light-water reactors do not exist, but what does not exist is ABB-Combustion Engineering's "System 80-plus," which is still being designed and whose performance and safety have not been verified.

Nevertheless, North Korea is obstinately refusing the "ROK style" and hoping for a U.S. style, evidently because of such lobbying from U.S. companies. "Two 1,000-megawatt light-water reactors" means "ROK-style," but North Korea may be shifting to U.S. products because U.S. companies offered similar ones. It is doubtful light-water reactors can be properly built under a joint venture between a U.S. company and North Korea.

The U.S. companies should act according to their official position regarding the light-water reactors. They should mean what they say. If they did offer anything to North Korea through lobbying, they should plainly cancel the offer and leave no ground for misunderstanding in the light-water reactor and North Korean nuclear issues.

N-S Buddhist Leaders Plan Talks in Beijing

SK2305062195 Seoul CHUNGANG ILBO in Korean 23 May 95 p 2

[By correspondent Choe Yong-chu]

[FBIS Translated Text] The first-ever high-level North-South talks between Buddhists are scheduled to take place in Beijing at 1200 on 24 May .

Song Wol-chu, chief of the Secretariat of the South's Chogye Buddhist Order, and Pak Tae-ho, chairman of the North Korean Buddhist Federation, will hold a luncheon meeting at the Landmark Hotel in Beijing at 1200 on 24 May. They will discuss Song Wol-chu's visit to North Korea, exchanges and cooperation between North and South Korean Buddhists, and North-South joint services on the anniversary of national liberation.

On 22 May, Monk Sin Pop-ta, standing vice chairman of the ROK Buddhist Association for the Independent and Peaceful Reunification of the Fatherland, who is currently staying in Beijing, stated: "Four North Koreans, including Pak Tae-ho, chairman of the North Korean Buddhists Federation, will arrive in Beijing at 1000 on 23 May to attend high-level North-South Buddhist talks. North and South Korean Buddhists will hold working talks at 1700 on 23 May at the Landmark

Hotel." Monk Si-hyon, chief of the Social and Cultural Affairs Department of the Chogye Order, and monks Sin Pop-ta and Chi-son will attend the talks from the ROK.

Journalist's Account of Trip to DPRK Reported

Kim Chong-il Efforts To Gain Stature

SK0605042695 Seoul YONHAP in English
0226 GMT 6 May 95

[First installment of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "Kim Il-song's Spirit Is Alive and Well in North Korea"; first two paragraphs are YONHAP's introduction]

[FBIS Transcribed Text] Pyongyang (YONHAP) [dateline as received] — Born in Hamhung, North Korea, Hyon studied literature in American and European universities. While working as a journalist in Europe and the United States, he first visited North Korea in 1973 for a three-week sojourn.

During his second visit to North Korea, he watched the sports and cultural festival unfold in Pyongyang's May 1 Stadium on April 28 and toured Kaesong, the truce village of Panmunjom, a collective farm, industrial factories, and the sluice on the estuary of the Taedong River in Nampo, west of Pyongyang.

Nothing has changed much in North Korea since I last visited "The Greatest Socialist Paradise" in 1973.

"This country is an Orwellian nightmare," concluded an American journalist after a nine-day sojourn in North Korea. She was referring to George Orwell's celebrated admonitory fantasy "1984," depicting a despotic society characterized by doubletalk, thought police, and big brother watching every move of every citizen.

"In many ways," I said, "the North Korean society today is much worse than the one the British author envisioned."

Stalin installed Kim Il-song as the leader of the newly created Democratic People's Republic of Korea (DPRK) in 1948 (the year Orwell wrote his novel) and this little-known Pyongyang-born ex-major of the Soviet Army ruled North Korea until his sudden death last year, creating in the process a ruthless totalitarian dynasty.

Today in North Korea, as I witnessed two decades ago, children from the ages of five to 16 are required to memorize "the heroic exploits of great Marshal Kim Il-song and his son and successor Marshal Kim Chong-il. (How Kim Chong-il who has never performed a full military service has managed to become a marshal is a mystery.)

The concept communicated by these early exercises is that the two Kims "will liberate the hungry, enslaved people in South Korea" and that "all economic achievements, all sporting victories and all bountiful harvests are personal gifts from their benevolent and respected genius leader and his equally benevolent and respected genius son."

According to the North Korean school curriculum, World War II was won by great Marshal Kim Il-song and his "revolutionary Army," and his father and grandfather top the list of great patriotic figures in Korean history. Official accounts of "the fatherland liberation war" (Korean war) ignore the decisive role the Chinese "volunteers" played in the outcome of the tragic conflict.

One of the most popular children's songs in North Korea today is titled "We Have Nothing To Envy" in the world. In fact, the song was popular 23 years ago, too. The North Koreans are taught to believe that everything they make is the best in the world. But they do not realize, for instance, that their Benz is modeled after an outmoded German model.

Kim Il-song's "chuche" ideology of socioeconomic and political self-reliance is the basis of Pyongyang's unique communism. However, the North Korean regime often ignores its official chuche party platform and imports industrial machinery and heavy equipment from Japan and Western Europe. Even their daily necessities and medical supplies are imported from China and Japan, most of which are available only to the privileged top party officials in this so- called classless society.

The people in the North have not been told, among other things, that as a result of their purchases on credit of hardware from the West in the 1970s and the 1980s, their poverty-stricken country still owes more than 3.5 billion U.S. dollars to Western banks and manufacturers.

A dozen Beijing-based American and European journalists in our group wondered why there are no Zhou Enlais and Deng Xiaopings in North Korea. My explanation was quite simple: "Kim Il-song purged all his potential rivals, who represented the moderate and pragmatic factions within the Workers' Party, in the mid-1950s and '60s. By the early 1970s, his son was already exercising considerable power as party secretary for organizational guidance and information. But the younger Kim had to build his own 'revolutionary credentials' to win support of the party rank and file."

As one of his "revolutionary acts," Kim Chong-il had North Korean diplomats take out full-page advertisements in such leading Western newspapers as THE TIMES of London and THE NEW YORK TIMES. The ads exalted the "extraordinary" words and deeds of Kim Il-song or excerpts from his speeches and theoretical works.

These ads, full of ideological rhetoric and glowing superlatives, were then reprinted in the North Korean Workers' Party organ, NODONG SINMUN, headlined as "Editorial comments... about our great and respected leader, the sun of mankind and the greatest revolutionary the world has ever known, from the leading capitalist journals in the bourgeois world."

The Western journalists in our group while in Pyongyang believed Kim Chong-il was also responsible for the bloody border incident at Panmunjom in 1976, in which some 30 North Korean border guards, wielding axes and metal picks, hacked to death two U.S. Army officials — not to mention the brutal massacre of top South Korean Government officials in the terrorist attack in Rangoon in 1983 and the explosion of a Korean air plane in 1988, in which all passengers and crew members perished.

For this reason, they were all surprised when I translated for them a children's mass game (group gymnastics) slogan: "Great Marshal Kim Il-song is Marshal Kim Chong-il." Many other sayings and songs the children sang indicated that Kim Chong-il is now the de facto leader of North Korea.

I traveled from New York to Pyongyang in hopes of being able to converse and connect with the people from the land of my birth. In the early mornings, I set out from my hotel and walked the sidewalks, greeting "good morning" in Korean to the men and women in their dreary navy blue suits. But nearly all of them simply ignored me and hurried away.

Earlier on the train from Beijing to Pyongyang, I began a conversation with a North Korean businessman. After exchanging pleasantries, I asked him what he thought about South Korea.

"We have many heroic friends in South Korea like Kim Tae-chung and Yim Su-kyong. But Kim Yong-sam is a traitor and the South Korean people must get rid of him."

When I asked him how much money he earned as a businessman, he said, "Our great leader Kim Il-song taught us to work for the good of the party and of the fatherland, and money has no meaning for us."

"How is the food situation?" I asked.

"Our great leader Kim Il-song provided us with plenty of food before he left us," said the middle-aged man. "Now his spirit guides us — and protects us."

Japanese Dominance at Festival

SK0805060295 Seoul YONHAP in English 0229 GMT 8 May 95

[of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "Adamant 'Nos' Baffle Visitors Hoping To See"] [All names as received]

[FBIS Transcribed Text] Pyongyang (YONHAP) [dateline as received] — "Get lost Jimmy Carter and Billy Graham," Kim Chong-il and his stooges in Pyongyang seemed to proclaim to the world.

The free world's new goodwill ambassadors to enigmatic North Korea were none other than El Samurai, Bull Nakano, Flying Scorpio, and Hawk Warrior. A dozen second-rate professional wrestlers from Japan and the United States who were the stars of the Pyongyang International Sports and Cultural Festival for Peace held under the floodlights of May Day Stadium from April 28-29. And the ring announcer, Hidegazu Tanaka, of Japan, wearing a Michael Jackson-style uniform and black boots, spoke in Japanese to the chagrin of the Korean audience from home and abroad.

"Why don't they have a Korean ring announcer? Isn't it against the spirit of chuche? And wasn't the great leader Kim Il-song known for his heroic exploits against Japanese imperialist aggressors?" A Dutch journalist, who as a child spent her World War II years in a Japanese prison in Indonesia, asked our chief guide.

"We're having this festival for international friendship and understanding," the guide replied, smiling and obviously not about to question the wisdom of her superiors' decision.

For two nights, the scantily-clad, grotesquely muscular pro wrestlers punched, kicked and hurled each other against the ropes, accompanied by loud cries of agony and pain. The ring was adorned with a huge sign — world pro wrestling — in Japanese letters.

Aside from the savage antics of these gladiators and their pre-match finery of multi-colored leather gear and ostrich plumes, the most amazing spectacle was the match between two Japanese women wrestlers, one with blue stand-up hair and the other with blonde, kicking and pulling each other's dyed hair.

The two-day event seemed a puzzling one for the elite North Korean spectators filling up the stadium in 2.5-U.S.-dollar seats, while foreigners watched from ringside at 100-200 U.S. dollars per person.

"What did you think of the wrestling matches and the Japanese ring announcer speaking in Japanese?" I asked one of our younger guides after the closing ceremony.

He looked around furtively, and sensing that he could not be heard, he whispered, "My parents, who suffered much under the Japanese during their colonial rule of our country, watched the games last night on television at home, and they were shocked beyond words. I was born after our liberation, but I couldn't understand why the Japanese had to dominate the festival in our country."

"It's the most bizarre experience I've had here," a British businessman who has spent seven years in Pyongyang said, shaking his head in disbelief.

The festival, said to be the largest ever involving overseas visitors in North Korea, drew 9,000 foreign tourists and some 100 Asian and Western journalists anxious for a look at the most isolated country in the world. The total number was a big disappointment for the organizers — the Korean Committee for Asia-Pacific Peace and the Japanese Professional Wrestling Corp. headed by Antonio Inoki, the Japanese wrestler who originally expected 70,000 visitors from abroad.

But a greater sense of disappointment — and for many a sense of betrayal — was felt by several hundred Korean-Americans who paid several hundred U.S. dollars each in hopes of reuniting, even briefly, with their family members and relatives in and around Pyongyang. The families have been separated from one another since the division of the country in 1945 or during the Korean war (1950-53).

"I wanted to see my brother and to just hug him for three days," said Kim Pyong-yong, 70, of New York City, who hadn't seen her brother in 45 years. "But the government tour guides said no. So I said I wanted to see my brother and hug him for one day," she continued, "and they said no. I said two hours, and they said no. I said a half hour, and they said no. Then they said, 'in this country no means no, and don't bother me again.'"

The grief-stricken lady tried to dry her endless tears with a wet handkerchief during the entire festival program. Now and then, I too wept, thinking of my father's grave in my native town of Hamhung. While my native region was several hundred kilometers away, her brother was living on the outskirts of Pyongyang, just a 30-minute ride by car. Besides, I was able to visit the grave during my visit here in 1973, and I tried to comfort myself with that memory.

The festival was the brainchild of Antonio Inoki — a disciple of Rikidozan (Korean name Kim Sin-nak), the late Korean-Japanese wrestling champion. His friendship with Kim Il-song enabled him to organize the promotional event. He proudly compared his shoddy wrestling matches to the table tennis games which helped to open China's long closed door to the outside world in the 1970s. At the opening ceremony, Inoki shouted in Japanese "for world peace," as hundreds of doves were let loose in the giant stadium.

Would the festival lead to the opening of North Korea, the most isolated Stalinist country in the world today? Would North Korea be able to follow the footsteps of China by initiating economic reform while maintaining its hardline, tightly-controlled political dictatorship?

Unlike China, whose Cultural Revolution lasted 10 years, North Korea has always had its own brand of Cultural Revolution since a young ex-Soviet Army major named Kim Il-song established a dictatorial dynasty after World War II. And unlike the Chinese, one of whose virtues is patience, Koreans whether from the North or the South, tend to be hot-tempered.

Despite the North Korean officials' and guides' repeated claims that the people are "happy because the spirit of the great leader Kim Il-song lives forever with us," the men and women in the streets of Pyongyang — all carefully screened and selected citizens — looked weary and gloomy said [as received].

A Western diplomat in Pyongyang said succinctly, "North Korea today is like a powderkeg. Any crack in this iron-ruled society could erupt in you-know-what..."

'Ever-Present' War Motif

SK0905080195 Seoul YONHAP in English
0142 GMT 9 May 95

[Third installment of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "War Is Ever-Present Leitmotif of North Korean Art, Music, Dance"]

[FBIS Transcribed Text] Pyongyang (YONHAP) — During the Pyongyang International Sports and Cultural Festival for Peace, the North Korean regime stocked up their stores. Major department stores were filled with cheese, crackers, fruits, drugs, cameras, clothing and other daily necessities imported from China and Japan.

For the benefit of "our dear guests from abroad," they also dressed up their sparsely populated, smileless citizens in ill-fitting business suits or colorful Korean clothes. Streets were cleaned up every morning.

At a "model merchandise mart," located near the Koryo Hotel in downtown Pyongyang, our small group of western journalists met a German diplomat based in the capital city. In a fluent Oxford-accented English, he said, smiling broadly, "I want to thank you people for enabling me to buy cheese. I haven't been able to find cheese for the last two months. But, thanks to you, I'm going to gorge myself with cheese for a few days."

Despite North Korea's elaborate preparations to impress us during the "festival for peace," their costly efforts backfired. Foreign visitors were subjected to an endless series of propaganda barrage from the moment of their arrival until their departure. As Harrison E. Salisbury of THE NEW YORK TIMES commented 25 years ago, "The visitor to Pyongyang feels he is living in a constantly shifting shadow play in which, day by day and hour by hour, the same message is being conveyed in every form of graphic and visual art, to reinforce its message."

Today the situation has not improved at all — only worse. The total regimentation of the North Korean's life, from cradle to coffin, is beyond exaggeration. The sole message communicated to every child, man and woman is that they are all living happily under the benevolent guidance of great Marshal Kim Il-song and Marshal Kim Chong-il and that any attempt by "U.S. imperialist aggressors and their South Korean puppet bandits" to invade the North would be dealt with "swiftly and victoriously."

The Korean War ended with the Armistice Agreement at Panmunjom 42 years ago — at least to the rest of the world. But, in North Korea today, there is no evidence whatsoever that the war is over. As the visitor is shepherded by a government guide from school to factory to museum to monument to a child-care center, and as he reads the flood of literature published in various languages and attempts to engage officials and children in conversation, he finds himself deep in the bloody battles of four decades ago.

Children and adults alike hail the selfless courage of North Korean martyrs and curse the barbaric savagery of "Yankee aggressors and their South Korean puppets." The walls of the nurseries and schools are plastered with posters and slogans, all denouncing "hawkish warmongers in the United States and South Korea."

Early one morning, as I tried to photograph a wall painting depicting a group of North Korean children bayonetting three wolves dressed in G.I. fatigues in the nursery school playground behind our hotel, a middle-aged woman shouted in an angry voice, "Go back to America! Go back to America where you belong, you dirty dog!"

On their way to and back from school, children are marched in groups and they greet their teachers with a stiff Nazi salute. And the communist-style goosesteps of the North Korean People's Armed Forces — hailed on television and in movies — certainly inflame the wartime memories in the mind of the North Korean viewer.

Certainly, there is no nonsense about the martial ambience of the North. It dominates song, legend and story. It is the only motive that gives impetus to the North Korean's every activity.

Vigilance, dedication to great Marshal Kim Il-song and Marshal Kim Chong-il, readiness to lay down their lives in battle, and glorification of heroes are the sole subjects of art, music, dance and literature.

The war is the ever-present leitmotif. It is hard to believe the country is not actually at war.

Trip to Mt. Paektu

*SK1005042495 Seoul YONHAP in English
0153 GMT 10 May 95*

[Fourth installment of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "Kim Chong-il May Have Been Conceived in Siberia, Born on Mt. Paektu"]

[FBIS Transcribed Text] Pyongyang (YONHAP) — A few days after our arrival in Pyongyang, we were offered a choice between an overnight trip to the International Friendship Museum on Mt. Myohyang and Mt. Paektu. Our guide explained, "Mt. Paektu, the ancestral mountain, has been worshipped by the Korean people from time immemorial." Of course, I chose the latter.

According to our guide, the museum contained the gifts Kim Il-song received from the leaders of the Third World nations. Needless to say, I was not interested in seeing such an exhibition. As a native of Korea, I was very anxious to visit our national mecca: Mt. Paektu, birthplace of the legendary founder of our nation.

For 2,500 U.S. dollars we rented an old Antonov 24, complete with a five-man flight crew, and flew 502 kilometers from Pyongyang to Samjiyon in an hour and

20 minutes. In recent years, I have visited Mt. Paektu from the Chinese side twice, but this was my first trip to the sacred mountain from the Korean side. I was excited beyond words.

As our minibus sped through the gloomy town of Samjiyon in the direction of our destination, a local guide spoke through a loudspeaker, "Mt. Paektu is also called the sublime mountain of the Korean revolution. The Korean People's Revolutionary Army, led by Gen. Kim Il-song, based itself on the mountain when waging the sacred war against the Japanese Army for the liberation of the fatherland. More important, Marshal Kim Chong-il, the commander-in- chief of the Korean People's Army, was born on the foothills of Mt. Paektu."

Suddenly, I felt cheated when I realized the sole purpose of our trip was for propaganda. No wonder our Pyongyang guides were eager to arrange our visit to Mt. Paektu. Yet, there is the myth-shrouded heavenly lake on this holy mountain, and I consoled myself with the thought that this may be the last time I will see it from the North Korean side. On this blissfully clear, sunny morning, I was elated when the local guide announced that we would go directly up to Mt. Paektu without unloading our bags at the hotel.

Alas, my feeling of elation did not last long. As we neared a majestic-looking peak, there appeared a large sign in bright red chiselled onto a light grey slab of stone affixed across the upper side of the mountain: Chong-il Peak. How could any sensible citizen ruin the natural splendour of this sacred mountain? What egomaniacal mad man would debase our national treasure?

"It was here on the foothills of this peak," said the guide in a reverend voice, "that Marshal Kim Chong-il was born on February 16, 1942, while great Marshal Kim Il-song was waging his peerless battles against the Japanese imperialist aggressors." Then, she led us through a narrow mountain path to a newly built grass-roofed log cabin.

"But," an American journalist protested, "I saw Kim Chong-il's birthplace in Khabarovsk last year. How could he have been born in two places? Reliable Soviet sources prove that his father was at the time a young officer in a Soviet brigade based in the Soviet Far East."

The guide turned red and retorted in an angry voice, "that's a dirty Russian lie! Russia is a ruined country, and Russians would say anything to cover up their miserable failure."

A couple of Canadian journalists and I joined the furious debate in defense of our American colleague's argument. Though seemingly angry, the guide looked confused and exasperated, and finally snapped, "maybe our great leader was conceived in Khabarovsk and born here!"

"This log cabin looks very new," I said. "What happened to the old cabin?"

"Over the years," she said, "it rotted away, and we built an exact replica a few years ago. But the contents inside the log cabin, like the low desk, the toy pistol and knife, the blankets and pillows, are real originals."

Next, we were taken to another nearby log cabin, the alleged command post of Gen. Kim Il-song — the so-called "secret camp" — from which the late dictator was supposed to have demonstrated his "heroic exploits..."

By the time the "secret camp" tour ended, it was high noon and the sun was shining brightly in the cloudless blue sky — an ideal time to climb up to the top of Mt. Paektu.

To the chagrin of our tour group, the guide ordered us to get into the minibus, saying we must go down to the hotel for lunch.

When I protested that this was the best time to reach the highest peak, which was renamed "Changgun-pong (General's Peak)" in honor of North Korea's late demi-god, she insisted that we must not disappoint the hotel's comrade chefs preparing many regional dishes for us.

Under protest, a group of unhappy journalists were driven to the Pegyebong Hotel — so named because the two-story building faces a pillow-shaped peak — on the outskirts of the town of Samjiyon.

Further on Trip to Mt. Paektu

SK1105073495 Seoul YONHAP in English 0115 GMT 11 May 95

[Fifth installment of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "Mt. Paektu Defaced by Kim Il-song and His Mad Followers"]

[FBIS Transcribed Text] Pyongyang (YONHAP) — The lunch in the dreary-looking Pegyebong Hotel dining room consisted of several mountain vegetables and potato-based dishes, but without any trace of seasoning. They were devoid of the most important ingredient in the preparation of traditional Korean dishes: sesame oil. No matter. I, for one, was only interested in climbing up Mt. Paektu and had no appetite, anyway.

At two o'clock, when the lunch was over, the guide walked into the dining room and announced, "Because you people look tired, you go to your rooms and rest for an hour. We will leave the hotel at three o'clock." (Guides do not dine with foreign visitors at the hotels.)

When I, speaking on behalf of the entire foreign press corps, protested that we were not at all tired and we were anxious to go up to the top of Mt. Paektu as soon as possible, she ignored my plea, and snapped, "We leave the hotel at three o'clock."

To make matters worse, she also announced that we would have to share a room with another journalist because the hotel was filled up with two dozen Korean-Americans. Luckily, my assigned roommate turned out to be a young Harvard-educated British journalist, full of curiosity and an adventurous spirit.

No sooner had we taken our bags to our room than he suggested that we explore the town, and I readily agreed.

We walked out of the hotel and set out in the direction of the town. Soon we came to a road sign in Korean: Samjiyon 4 km.

"We don't have to walk very far," I said in relief, for I wanted to save my energy for our arduous hike.

My companion, who was busy photographing the lovely surrounding scenery, suddenly turned to me and whispered, "I think we're being followed." I turned around and saw two men in crumpled Mao-style suits walking slowly towards us, waving us to stop. But we ignored them and walked on.

By the time we reached the outskirts of the town, they caught up with us. The younger of the two said sternly, "you must go back to the hotel." When I told my English friend what he was saying, he balked, "to hell with them," and continued walking. However, I hesitated because I did not want them to check into my background as the author of innumerable anti-North Korean articles and a book critical of Kim Il-song's chuche-inspired society, among other damaging things.

I gently persuaded my British compatriot to turn around, and we walked back to the hotel. He quickly snapped a couple of shots of them following us. "Son of a bitch," the younger one shouted in Korean. When I told him what the man said, the Englishman just smiled triumphantly.

At last, we were on our way. As our cranky old minibus puffed its way up the steep mountain road, we saw the snow piled high on both sides, and I asked the guide how they managed to clear the snow.

"Our town's comrades worked day and night for a month to clear the deep snow," she explained. "But the bus can only go up to the cable-car station. From there on, we must walk on the track, most of which is still covered with snow. The steep track is 1,500 meters long."

Our hearts sank at the thought of walking up the long uphill snow-covered track, but we persevered. I kept telling myself, "This may be the last time to see the heavenly lake from the highest peak (2,750 meters) on Mt. Paektu." I still don't understand how I managed the feat at my advanced age!

After an hour or so, we reached the top. To my disappointment, the view of the heavenly lake from Changgun-pong — General's Peak — was not as spectacular as the one seen from the Chinese side of the mountain. For one thing, the lake was frozen and covered with deep snow: secondly, I was standing on the peak renamed honoring Kim Il-song.

As I surveyed the scenery, I had mixed emotions. There I was, standing atop the highest peak on Mt. Paektu, fulfilling one of my lifelong dreams, and yet the realization that this sacred mountain was virtually defaced by Kim Il-song and his mad followers made me feel inexplicably depressed.

When will the Kim Il-song-created totalitarian dynasty be destroyed? When will our divided country be reunited? Where is that elation I experienced when I visited Mt. Paektu from the other side? I wondered.

Visit to Pyongyang Bar, Chuche Tower

SK1205094495 Seoul YONHAP in English
0131 GMT 12 May 95

[Sixth installment of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "Sons of Top Party Officials Patronize Pyongyang's Sole Karaoke Bar"]

[FBIS Transcribed Text] Pyongyang (YONHAP) [dateline as received] — A couple of days after the Pyongyang International Sports and Cultural Festival for Peace, our group of a dozen foreign journalists were taken to the capital city's sole karaoke bar-restaurant. We were pleasantly surprised to be treated to a fairly well-prepared Korean-style dinner. A Swedish businessman informed us, "This garish and noisy spot is patronized only by the spoiled, privileged sons of top party officials. Look at them guzzling down expensive French cognac mixed with Coca Cola and ice."

Unlike the speechless, undernourished-looking men and women we saw in the streets, the karaoke patrons all in their 30s and early 40s looked well-fed and sharply-dressed. They were loud and boisterous, indeed a rare sight in North Korea. "What a rowdy bunch!" muttered a Canadian reporter.

A pretty young singer, finely costumed in a shiny white Spanish-style dress, belted away in a shrill alto soprano voice Frank Sinatra's "My Way" in English. Right on cue, our dessert arrived in the form of mixed fruit salad, our first taste of fruit since our arrival in Pyongyang.

As we finished our coffee, our guide promptly came to the table and announced, "We are going to the Tower of Chuche." We had spent exactly one hour at the karaoke.

Reluctantly, we followed her out of the noisy place and got into our minibus. The driver sped through the well-lit but virtually deserted streets. Such brightly lit streets occur only during festival periods, according to a foreign resident of Pyongyang. Unanimously, we expressed our dismay that we were not allowed to connect and converse with the habitues of the city's "most decadent capitalist hell," to coin the words of our guide. To us, however, it seemed like an oasis in the Sahara Desert.

At the Tower of Chuche, we were introduced to a tall, young aristocratic-looking lecturer, who greeted us in a flawless French. Since she did not speak English, the Canadian journalist from Montreal and I acted as French-English interpreters for the group.

Mrs. Chong Ki-ran, 32, who studied French literature at the Kim Il-song University, explained, "A large number of Korean workers, school children and foreign tourists visit the Tower of Chuche every day and every night. As you can see, it is soaring high, and its torch atop the tower is shining brightly on the bank of the Taedong River, gracefully flowing through the heart of Pyongyang.

"The Chuche Tower was built to pass down to posterity the immortal exploits of great leader Kim Il-song," she continued. "Great leader Kim Il-song founded the chuche ideology — the noble principle of self-reliance — and successfully applied it in the revolution and construction of our country, resulting in the creation of the world's greatest socialist heaven on earth."

The 170-meter-high tower was completed in two years, she added, with the love and the sweat of the people from every walk of life. It was unveiled on April 25, 1982, on the 70th birthday of the great leader.

Amazingly enough, she said, the tower is made up of 70 blocks of 25,550 white granite stones of different sizes, symbolizing the days and the years from his birth up to his 70th birthday. Standing in front of the tower is "a group of sculptures representing a worker, a farmer and an intellectual marching under the banner of the chuche ideology, holding high the emblem of the Workers' Party of Korea."

Lo and behold, there were 816 fountains of various sizes and shapes spouting rainbow-colored streams of water in the giant square facing the tower — not to mention two enormous fountains sending up "150-meter-high jets of water" in the midstream of the river.

From the observation platform atop the tower, we were treated to a panoramic bird's-eye view of brightly lit Pyongyang. While the others were busy taking pictures, I complimented Mrs. Chong on her impeccable French and asked if she studied in France.

"No," she answered. "I learned my French at the university. Although my husband is working in the Foreign Ministry and often travels abroad on business, I've never been out of the country."

"Who are your favorite French authors?"

"The most impressive and memorable novel I've read is 'Les Miserables.' I wept when I first read it."

"Any other writers besides Victor Hugo? What about modern French novelists like Sartre, Camus and Duras? They were all once members of the French Communist Party — and very progressive and avant garde writers."

"I've never heard of them," she responded shyly.

Visit to King's Tomb, Mangyongdae

SK1305033395 Seoul YONHAP in English
0156 GMT 13 May 95

[Seventh installment of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "Tangun Tomb Coffins Not Opened Even for Glimpse at 2,000"]

[FBIS Transcribed Text] Pyongyang (YONHAP) — Move over "all you feudalistic, bourgeois historians of South Korea!"

When it comes to undeniably correct historical interpretation, "socialist realism" is in. Social — or socialist, as the North Koreans prefer to call it — realism may be dead in the capitalist West, but it is alive and well in the North, shaping the mindset of every child, man and woman.

Pyongyang, whose cityscape is dominated by statues and monuments dedicated to great Marshal Kim Il-song, now boasts of a few more sacred shrines. Day after day, thousands of school children, farmers, factory workers, party and government officials, and foreign tourists pay homage to "the two greatest figures in the history of the Korean people."

The tomb of King Tangun is one of the shrines. "All the myths and the legends about King Tangun and Mt. Paektu have no historical basis," the guide explained. "King Tangun, the founder of our nation, was actually born and buried in the Pyongyang area. He lived 5,013 years ago and built the first civilized state in the (Far) East." When asked for the exact dates of his birth and death, she said she did not know because she was not a historian.

"Thanks to the correct policy of the Workers' Party of Korea," she continued, "we discovered that he was not a mythical being but a real person. Several years ago, our archaeologists unearthed his remains and those of his wife, the queen, and some of the relics."

The entire reconstructed tomb area covers 45 hectares, she proudly announced: Then, pointing to the snow-white steps leading up to a pyramid-like structure sitting majestically atop the hillside, she said, "The coffins containing the real remains of the king and the queen rest in there."

Inside the dimly lit burial chamber, there was a tier-like rectangular stone platform holding two newly painted wooden coffins. The area was surrounded by a pair of stone posts and two stone lanterns.

When our group and a dozen Korean-Americans left the chamber, I saw a middle-aged Korean-American haggling with the tomb guide.

"Would you open the coffins for 100 dollars?" The man from Los Angeles asked the guide. He then looked at me and, sensing that I too was interested in his unusual proposition, winked at me.

"No," the guide said.

"Five hundred dollars?"

"No."

"One thousand dollars?"

"No."

"Two thousand dollars?"

The guide blushed demurely. Since I had more than 1,000 dollars in my pocket, I joined in. "I will pay a half of that money."

Then the man from California chimed in, "Would you accept a visa card?" Suddenly I realized that the man was just pulling her leg. We were dead serious. "What a bastard," I told myself in disgust.

Our group was then driven to Mangyongdae, the birthplace of great leader Kim Il-song, on the outskirts of Pyongyang. The place has not changed much since my last visit there in the early 1970s. However, I did notice that the grass-roofed mud house where "great leader Kim Il-song was born and spent his childhood" had a new face-lift, obviously for the benefit of the festival visitors from abroad.

The guide at Mangyongdae explained, "Instead of thousands who daily visit the tomb of King Tangun, millions of people from all walks of life come here every day — not to mention hundreds of foreign dignitaries and tourists — to pay respects to great leader Kim Il-song."

Indeed, as we were whisked through the throngs of North Koreans, we saw a mile-long queue of university students, men, women and children waiting patiently for a glimpse of the birthplace of their late leader.

"Obviously, more people come here than the number of people who visit the tomb of King Tangun," a tourist commented.

"Of course," the guide replied, "this is the sacred birthplace of the founder of our socialist fatherland!"

"What about King Tangun? After all, isn't he the founder of Korean nation?"

She hesitated a moment and then replied, "He lived more than 5,000 years ago. But the spirit of great leader Kim Il-song lives with us forever!"

Farming Methods Unchanged

SK1505080995 Seoul YONHAP in English
0713 GMT 15 May 95

[Eighth installment of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "No Change in Chongsan-ri Method of Farming in More Than Two Decades"]

[FBIS Transcribed Text] Pyongyang (YONHAP) [dateline as received] — After my visit to the model Chongsan-ri collective farm on the outskirts of Pyongyang on Aug. 21, 1972, I jotted down in my diary: "It is easy to criticize or ridicule Kim Il-song's personality cult or the fact that the middle lane of the capital city's wide avenues are reserved exclusively for the respected and beloved leader. Yet it is also easy to be impressed by what North Korea has managed to accomplish since 1953.

"At the end of the Korean war, only three buildings were left unscathed by more than 400,000 bombs alleged to have been dropped on Pyongyang. Today, at least on the surface, Pyongyang looks like a phoenix rising out of the ashes ... To solve the country's chronic food shortage problem, Kim Il-song has been trying to improve the traditional farming methods. North Korea's most successful collective farm, Chongsan-ri, is a good example of his efforts in this regard ..."

Needless to say, I was delighted when our group was shepherded to the Chongsan-ri collective farm. We were greeted by Comrade Ko Myong-hui, 45, who introduced herself as the administrator of the farm, and two of her aides. Promptly she led us through her minimuseum's entrance hall which was decorated with a large portrait of great leader Kim Il-song.

Standing in front of a wall, covered with dates of the late dictator's "more than 100 visits to the farm," she said proudly, "the great leader first spent 13 days here in February 1960, living among humble farmers, listening to their problems and giving them his on-the-spot guidance. And it is here that the great leader initiated the world-famous Chongsan-ri method."

An Australian journalist asked, "Could you please explain the Chongsan-ri method to us?" Then I remembered asking the same question to her predecessor 23 years ago.

"It's a method by which a higher-up helps his lower echelon workers by listening to their problems and advising them accordingly, and vice versa. In short, one learns from one another," she replied, smiling broadly.

Since I heard this same stock answer before, I kept quiet. But other journalists in our group had that we-can't-believe-what-she-is-saying look on their bewildered faces. They seemed to have given up on asking any further explanation.

Oblivious to our silent questioning of her sense of logic, she continued, "Our 1,000 working members cultivate 1,500 hectares of land, using 100 tractors and 13 trucks. We raise 1,200 pigs and 6,000 chickens. Our collective is divided into several units, such as the farming unit, the orchard unit, the animal farm unit, and the mechanical unit.

"Each unit not only has its own telephone and television sets, but also has its own nursery, kindergarten, primary school, middle school and agricultural college."

Asked to see a typical farm house, she said all the farmers and their families were celebrating May Day in Pyongyang and it would be "uninteresting" to visit an empty farm house. Therefore, the only place we were allowed to see turned out to be the minimuseum. For some reason, Comrade Ko seemed to want to end our visit quickly. We did not protest, because there really was not much to see on the Chongsan-ri collective farm.

But I was curious about the fate of her predecessor and asked, "What became of Comrade Pyon Chang-ok?"

She seemed to be in a hurry. She did not even ask how I knew her name. But she hastily answered, "Comrade Pyon is a vice-chairman of the Nampo city fisheries cooperative and a member of the Central Committee of the Workers' Party of Korea. Thanks to her, our Chongsan-ri method, which has been instrumental in increasing our production astronomically since its inception, is recorded in Article 12 of our Constitution and in the preamble to the platform of the party."

It was like listening to an old familiar tape on the theme of the Chongsan-ri method: The same rhetoric and the same voice that I heard 23 years ago — only the face was different.

Pyongyang 'Arch of Triumph'

SK1605062695 Seoul YONHAP in English 0251 GMT 16 May 95

[Ninth installment of 10-part series of travel accounts by Korean-American journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "Arch of Triumph in Pyongyang Taller Than the One in Paris"]

[FBIS Transcribed Text] Pyongyang (YONHAP) [dateline as received] — If Gen. Charles de Gaulle, the symbol of free France during the Nazi occupation of his country, loved to march from the Arch de Triumph down Champs Elysees thronged with adoring French crowds, why could not Gen. Kim Il-song, the self-styled liberator of Japanese-occupied Korea, receive a simple gift of the Arch of Triumph on his 70th birthday from the people who still worship him "like god?"

Why not, indeed. Except that the original French Arch of Triumph, a few meters shorter than the North Korean version, was not built for de Gaulle. In addition, Kim Il-song received on that same day yet another memorable present from his people: the Tower of Chuche.

Obviously, with the exception of some 200,000 political prisoners incarcerated in prison camps scattered across the remote northern provinces and countless silent dissidents, North Koreans truly believe that Kim Il-song is greater than his mentor Stalin, Mao, Hitler and De Gaulle.

The male guide at the site explained, boasting, "the Korean people built this Arch of Triumph in honor of his 70th birthday, reflecting their ardent wish to glorify forever his immortal revolutionary exploits. It was built in a short period of less than two years."

Situated in the heart of Kaesong Square in downtown Pyongyang, it is considered an important historical site. The guide continued, "after leading the 20-year-long anti-Japanese revolutionary struggle to victory and accomplishing the cause of national liberation, great leader Kim Il-song made his first historical speech here upon his triumphant return to the fatherland on Oct. 14, 1945."

Once again, the members of our foreign press group, representing the Allied nations during World War II, were puzzled by the guide's outright dismissal of the vital role played by the Allied troops in the Pacific conflict. If there is some form of freedom in this isolated country, we decided, it is the freedom to rewrite undeniable historical facts.

The Pyongyang Arch of Triumph was built with more than 1,500 well-cut pieces of granite, according to the guide, and the arch consists of four square pillars standing on four foundations. There are archways between the pillars, and a balcony is attached to the three-tiered roof. The arch is 60 meters high, 50 meters long and 36 meters wide.

Supposedly, the gateway of the arch is 27 meters high and 18.6 meters wide, and is framed with 70 azalea leafs, symbolizing the 70th birthday of the great leader. Inscribed in golden letters on its front and back faces is "1925-1945, signifying the years he spent for the cause of our national liberation."

"What is the inscription on the wall between the balcony and the roof?" I asked.

"It is one of our cherished songs titled 'Ode to General Kim Il- song,'" the guide answered. "And don't forget to photograph the beautiful Mt. Paektu depicted in the background. It is the mountain of our revolution."

"Whenever we look at the Arch of Triumph," he concluded, "it reinforces our conviction and our will to carry on the revolutionary struggle initiated by great leader Kim Il-song to the end. Our goal is to accomplish the revolutionary cause of chuche founded by our great leader Kim Il-song, whose spirit lives within us forever!"

A British reporter asked, "You said it took less than two years to build this, and you also built the Tower of Chuche in honor of great leader Kim Il-song's 70th birthday in less than two years. How many people were involved in the construction of such giant monuments? And how much did it cost to build the Arch of Triumph, for instance?"

"Like the Tower of Chuche," the guide calmly replied, "this monument to the great leader was built with the love and the sweat of the people. How many people? It is not important. How much money it cost? That, too, is irrelevant. For our great leader Kim Il-song, we are willing to lay down our lives, if necessary!"

North Side of DMZ Viewed

SK1705045295 Seoul YONHAP in English 0250 GMT 17 May 95

[Tenth and final installment of 10-part series of travel accounts by Korean-American Journalist Peter Hyun, who visited the DPRK from 25 April to 3 May to attend the International Sports and Cultural Festival for Peace that opened in Pyongyang on 28 April, titled: "Whither Will North Korea Go in the Post-Cold War Period?"]

[FBIS Transcribed Text] Pyongyang (YONHAP) [dateline as received] — On the eve of the Pyongyang International Sports and Cultural Festival for Peace (April 28-29), 42 years after the Armistice Agreement, our group of foreign journalists visited the infamous truce site of Panmunjom from the North Korean side.

En route to the Demilitarized Zone (DMZ) that separates the North from the South, we passed a group of schoolgirls marching along the dirt road and singing an anti-American ditty.

At the edge of the DMZ, in front of a small white building where the Korean Armistice was signed, there is a stone plaque with the inscription, "the U.S. imperialists, who unleashed a war of aggression in Korea on June 25, 1950, knelt down before the heroic Korean people and signed the Armistice Agreement at this place on July 27, 1953."

Inside the building, a young North Korean Army major guided us through "an exhibition of U.S. and South Korean intrusions into the DMZ," complete with photos and identification cards of slain intruders. However, it did not show any photos of the bloody incident at Panmunjom in 1976, in which some 30 North Korean soldiers, wielding axes and metal picks, slaughtered two U.S. Army officers.

As we were leaving the building, I asked the young officer how he felt about the American soldiers, "I hate them! They killed my father during the war!" He answered bitterly.

The young major continued to accompany us as we were driven quickly into the main Panmunjom area.

The demarcation line roughly along the 38th parallel is identified by a small yellow tin sign on the crest of a hillock overlooking Panmunjom. We were shepherded into a small conference hut, where the UN Command — represented by the United States and South Korea — and the North Koreans have confronted each other in endless relays of the Cold War over nearly a half century.

As we emerged from the hut, a small group of American and South Korean soldiers across the line came up to find out who and what we were. Thus, in the presence of a dozen foreign reporters, the U.S.-South Korean and North Korean soldiers faced each other in total silence, with icy, threatening glares on both sides. The atmosphere was forbidding and ugly. I could well imagine how such a mood can easily explode into a fatal incident.

In retrospect, however, I believe North Korea's apparent bellicosity has been just a bluff — a bluff to force a war-weary United States to make further concessions at the conference table. After our nine-day sojourn in the Orwellian country, I returned firmly convinced that the free world should allow Pyongyang to self-destruct in the manner of Nicolae Ceausescu's Romania, onetime North Korea's close ally.

For one thing, in view of its acute food shortage, North Korean soldiers — and civilians — are too hungry to fight effectively despite their nuclear warheads. More important, this time, China would not offer a helping hand as it did during the Korean war in view of recent diplomatic, commercial and military agreements with South Korea.

For another, there is the uncertainty concerning Kim Chong-il's current health. Both in Beijing and in Pyongyang, there are rumors that he had brain surgery as a result of a horseriding or a car accident, and that he has not been seen in public for several months. Furthermore, even to an untrained eye, all the recent photographs of Kim Chong-il published in the party's organ, NODONG SINMUN, are either old copies or have been superimposed.

According to Pyongyang watchers in Beijing, considering the country's increasingly deteriorating economic crisis and tighter control of the populace, North Koreans have reached a "boiling point, an explosive state."

A Swedish diplomat complained, "the Clinton administration is so naive! They think that North Korean scientists couldn't possibly produce weapons-grade plutonium out of a light-water reactor, and how can they offer Pyongyang a five-year grace period during which IAEA (International Atomic Energy Agency) inspectors would have no access to certain nuclear facilities at Yongbyon?"

"To put an end to the long suffering of the people," he continued, "the United States and Japan must leave North Korea alone. Of course, for geopolitical reasons, the Japanese would not like to see a reunified Korea. But I don't understand why Washington is making such a blunder. Its concessions would only prolong the agony of the ordinary North Korean people."

I agreed. Despite the tremendous burden a sudden collapse of the North Korean regime would place on the shoulders of the South Korean people, in the long run, the best solution for the Korean peninsula would be a self-destruction of Pyongyang's totally insane sociopolitical system.

Presence of Taiwan President at IDU Forum Debated

SK2405065295 Seoul MUNHWA ILBO in Korean 24 May 95 p 1

[By reporter Cho Yong]

[FBIS Translated Text] While U.S. permission for Taiwanese President Li Teng-hui to visit the United States is creating controversy, a visit to the ROK by President Li is also being promoted.

Officials from the ROK and Taiwan are prudently considering Taiwanese President Li Teng-hui's participation as the party chief of the Kuomintang in the party leaders' meeting of the International Democratic Union [IDU] to be held in Seoul on 1 and 2 September. At the IDU Commission conference held in Honduras at the end of April, the Kuomintang raised the issue of President Li's visit to the ROK, but no decision was made.

In response to this, the PRC's Li Shuzheng, deputy head of the International Liaison Department of the CPC Central Committee who recently visited the ROK, and Zhang Tingyan, PRC ambassador to the ROK, reportedly strongly requested that the ROK Government and the Democratic Liberal Party disapprove of President Li's visit. The Taiwanese mission in Seoul is strongly complaining about this request.

The Democratic Liberal Party and the Kuomintang are both members of the IDU, a council of the world's conservative parties.

More Power Industry Cooperation Planned With PRC

SK2305071595 Seoul MAEIL KYONGJE SINMUN in Korean 23 May 95 p 2

[By correspondent Hyon Mun-hak from Beijing]

[FBIS Translated Text] The ROK and the PRC will expand bilateral industrial cooperation in the atomic, petrochemical, and thermal power industries.

According to the ROK Embassy in the PRC, the ROK and PRC Governments have agreed to expand the ROK-PRC Industrial Cooperation Committee — which has been operated centered around aircraft, automobiles, high-definition televisions, and the time digital telephone exchange system — to deal with the atomic, petrochemical, and thermal power industries. The two countries reached the agreement based on the fact they have smoothly promoted industrial cooperation since last year. The two countries will make a formal decision at the second meeting of the ROK-PRC Industrial Cooperation Committee that will open in Beijing on 14 June.

When PRC Premier Li Peng visited the ROK, the two countries agreed to establish a nuclear power generation subcommittee. The ROK and the PRC State Economic and Trade Commission have been discussing the establishment of a nuclear power generation subcommittee and ways to promote technology exchange.

Firms Begin Talks on Gas Projects in Russia

SK2405004695 Seoul THE KOREA HERALD in English 24 May 95 pp 8, 10

[FBIS Transcribed Text] A group of Korean companies are seriously considering joining in natural gas development projects in Russia's Siberia through equity participation, government officials said yesterday.

Discussions have been made between Korean firms, including Halla Business Group, and Russia's federal and local governments about concrete methods of Korean participation, they said. The Korean companies will soon visit the gas field to gather more firsthand information.

The Kovitkinsk gas mine, about 350 km west of the Siberian city of Irkutsk, has a confirmed reservoir of 870 billion cubic meters, enough for 29 years' production by 30 billion cubic meters a year. Russia has already made 21 test drillings in the gas mine which has an estimated potential reservoir of up to 2 trillion cubic meters, they said.

A Korean trading company will also invest $100 million in the next four years to develop bituminous coal on condition that it receives soft coal supplies of 1 million tons from Russia from 1996, the official said.

These and other agreements were made during the first meeting of the Korea-Russia Joint Committee for Energy and Mineral Resources Cooperation held at the Ministry of Trade, Industry and Energy which ended Monday.

Russia also promised its cooperation during the committee meeting to Korean firms' proposal for modernizing oil producing and refining facilities in Russia's Far East region.

The two countries, in order to cement cooperative ties in third countries in such areas as joint construction of power plants, agreed to facilitate information exchange between Korea Power Electric Corp. and Russia Joint Stock Company of Energy and Electrification.

For effective implementation of cooperation programs, Seoul and Moscow also decided to set up three working groups in oil-gas, coal and science-technology areas, respectively, the officials said.

Kim Tae-kon, assistant minister of trade, industry and energy in charge of resources-energy affairs, led the Korean officials at the committee meeting, while their Russian counterparts were headed by Vladimir N. Kostiounin [spelling of name as published], executive deputy minister of Russia's Ministry of Fuel and Energy.

Ethnic Koreans From Sakhalin Begin Visit

SK2405093895 Seoul YONHAP in English 0715 GMT 24 May 95

[FBIS Transcribed Text] Seoul, May 24 (YONHAP) — A group of 85 ethnic Koreans living in Sakhalin arrived in Seoul Wednesday for an eight-day tour of the country sponsored by the Korean National Red Cross, a Foreign Ministry spokesman said Monday.

While staying in the country until May 31, the group is scheduled to tour industrial facilities in Pohang, North Kyongsang Province, and Ulsan, South Kyongsang Province, the ancient Shilla Dynasty capital of Kyongju, the Korean Folk Village in Yongin, Kyonggi Province, and the Independence Hall in South Chungchong Province, according to the spokesman.

The Korean National Red Cross plans to invite a total of 1,200 ethnic Koreans presently residing in Sakhalin, who have no relatives in South Korea, to tour the country's industrial and tourist sites, he said.

The Red Cross has invited a total of 6,330 ethnic Koreans in Sakhalin to the country since September 1989.

Kim Yong-sam, Australia's Keating Discuss Ties

SK2305054495 Seoul YONHAP in English 0454 GMT 23 May 95

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — President Kim Yong-sam had a telephone conversation with Australian Prime Minister Paul Keating Tuesday morning and exchanged views of common interest for reinforcing friendly bilateral relations and to promote ways to increase economic cooperation.

President Kim called Keating, prior to the latter's trip to Japan, in an effort to further promote their cooperative relationship in the future, Pak Chin, a presidential press secretary, said.

Kim also explained the outcome of his trip to Europe last March, affirming that the cooperation between Asia-Pacific and European countries, particularly in the trade and investment sectors, will be progressing in the days to come.

Both leaders expressed their hopes that the summit forum of the the Asia-Pacific Economic Cooperation (APEC) organization that will be held in Osaka, Japan, this coming November will produce positive results towards its objective of opening trade and investment within the region.

Keating was quoted as saying that the recent trade friction between the United States and Japan must be solved as early as possible so that the general trade issues involving the Asia-Pacific region including investment liberalization will be settled smoothly.

Reportage on Albanian Foreign Minister's Visit

Meets Kim Yong-sam

SK2405031395 Seoul YONHAP in English 0258 GMT 24 May 95

[FBIS Transcribed Text] Seoul, May 24 (YONHAP) — President Kim Yong-sam met with visiting Albanian Foreign Minister Alfred Serreqi at Chongwadae [the presidential offices] Wednesday morning to exchange views of common interest, including the promotion of bilateral relations.

President Kim expressed his thanks to Serreqi for Albania's support regarding South Korea's position in connection with North Korea's nuclear issue, and also expressed hope for Albania's continued cooperation with South Korea.

The Albanian foreign minister visiting the country at the request of his South Korean counterpart Kong No-myong, is the highest government official of the European country to visit South Korea since the two countries established diplomatic ties in 1991.

S&T Cooperation Agreement Signed

SK2405095195 Seoul YONHAP in English 0712 GMT 24 May 95

[FBIS Transcribed Text] Seoul, May 24 (YONHAP) — South Korea and Albania signed an agreement Wednesday promoting bilateral cooperation in the fields of science and technology, a Foreign Ministry spokesman said.

The agreement, signed at the Foreign Ministry between Foreign Minister Kong No-myong and visiting Albanian Foreign Minister Alfred Serreqi, calls for the establishment of a joint committee to coordinate cooperation between the two countries in science and technology.

The agreement also stipulates exchanges of scientists, researchers, information and publications between the two countries.

The ministry expects the agreement will pave the way for the country's technology producers to advance into the Albanian market.

Trade Deficit Seen 'Going From Bad to Worse'

SK2305033995 Seoul THE KOREA TIMES in English 23 May 95 p 8

[FBIS Transcribed Text] Korea's trade deficit is seen going from bad to worse in the second half of the year, overturning expectations that global conditions, including the appreciation of the Japanese yen, would act as positive factors.

Sources at the Ministry of Trade, Industry and Energy [MOTIE] said yesterday that the issuance of import licenses in April recorded a whopping 78 percent increase over the same month last year to 13.48 billion dollars.

The issuance of import licenses is a clear indicator of import trends some two to three months in advance. This is the first time since January 1991 that the rate of increase has surpassed the 70-percent mark.

Further aggravating the situation is the fact that the issuance of import licenses reached 3.89 billion dollars in the first 18 days of this month, up an even more alarming 79.8 percent.

Ministry officials said the trade deficit as of May 18 was 7.056 billion dollars, worsened significantly as a result of the trade in red ink of 1.826 billion won in the first 18 days of May.

On the other hand, the receipt of letters of credit, which indicates export trends two to three months in advance, has been in no way keeping pace.

The officials said exports in March were a brisk 7.186 billion dollars, the best monthly performance in history and an increase of 21.9 percent over the same month last year.

However, exports fell to 6.27 billion dollars in the following month for a comparatively lackluster year-to-year increase of 14.6 percent, the officials explained.

In fact, they said, the import licenses issued over the 18 days of 3.82 billion dollars were worth more than twice the letters of credit received in the like period.

One industry observer said, "Assumptions that the trade balance will improve because of the increased competitiveness of Korean products in the international market were in fact premature since the stronger the yen, the more Korean companies have to pay for their parts and components."

He elaborated that Korean industry is structured in such a way that increasing exports naturally result in even more imports to make increased production volumes possible.

Seoul Said 2d Priciest City for Industrial Goods

SK2405011595 Seoul THE KOREA HERALD in English 24 May 95 p 8

[FBIS Transcribed Text] Prices of industrial goods in Seoul are the second highest after Tokyo among major cities in the world, according to a report released by the Ministry of Finance and Economy (MOFE) yesterday.

When the price index of 43 industrial products is 100 for Seoul, Tokyo has the highest at 153, showed the report on price differentials among eight cities in seven countries.

Los Angeles has the lowest price index of 64.2, followed by New York (71.9), Singapore (78.5), Paris (91.3), London (92) and Taipei (98.4), according to the report.

The report is based on field checks on prices of 43 manufacturing products, which were conducted between February and April this year. The report is the first of its kind and the ministry plans to release such a study periodically.

Prices of electronics, clothing, footwear, computers and cameras in Seoul are higher than other cities, while those of home appliances and furniture are lower, according to the report.

Of the 43 industrial goods, Seoulites pay more for nine products than consumers in Tokyo do, which include whiskey, vacuum cleaners, personal computers, cameras, wrist watches and TV sets.

Excluding Tokyo, prices of 27 items in Seoul are over 20 percent higher than those in other cities. Prices of five products are about 20 percent lower in Seoul than those in other cities, whereas prices of the remaining 11 goods in Seoul are as high as in other cities, according to the report.

The ministry attributed the big price differential between Seoul and other cities to the backwardness of the domestic distribution industry, which increases distribution costs and causes subsequent rises in product prices.

Contrary to foreign cities, imported goods contributed little to lowering prices in Seoul as local importers earned excessive profits.

Also responsible for the large difference were Korea's higher consumption taxes than other countries and the fact that consumers in Seoul enjoy less access to price information, the ministry said.

To bring down prices of industrial goods, the government will encourage manufacturers to cut prices, revolutionize the local distribution industry and promote the competition between domestically-made and foreign goods, the ministry said.

Price comparison of major cities

Product group	City				
	Seoul	Tokyo	Taipei	Singapore	Paris
Foodstuff	100.0	213.8	96.2	99.1	95.9
Liquor, beverages	100.0	197.2	112.0	150.0	76.9
Electronics products	100.0	118.7	89.8	67.6	85.3

Product group	City				
Furniture, beds	100.0	290.1	96.2	99.4	95.8
Clothing, footwear	100.0	132.2	92.9	53.3	80.1
Home appliances (Sundry goods)	100.0	147.9	129.7	103.9	131.0
Computers, phones	100.0	97.3	76.8	57.9	84.1
Toys, glass rims	100.0	157.2	88.3	71.2	82.8
Average	100.0	153.0	98.4	78.5	91.3

Product group	City			
	London	New York	LA	Average of foreign cities
Foodstuff	66.9	69.8	63.2	100.7
Liquor, beverages	108.8	57.8	61.2	109.1
Electronics products	76.3	50.9	49.6	76.9
Furniture, beds	78.5	107.2	67.0	119.2
Clothing, footwear	91.6	72.3	61.0	83.3
Home appliances (Sundry goods)	145.5	100.5	98.0	122.4
Computers, phones	63.8	57.2	51.1	69.7
Toys, glass rims	77.4	65.6	59.0	85.9
Average	92.0	71.9	64.2	92.8

Pusan Wins Bid To Host 2002 Asian Games

SK2305061995 Seoul YONHAP in English
0603 GMT 23 May 95

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — South Korea's second largest city of Pusan was designated as the venue for the 2002 Asian Game, beating its rival Taiwanese city of Kaohsiung, in a vote held during a General Assembly meeting of the Olympic Council of Asia (OCA) here.

During the vote performed in hand-raising method, 37 countries out of 41 members of the International Olympic Committee (IOC) attending the Seoul OCA meeting voted for Pusan.

Officials' Foreign Language Skills 'Very Poor'

SK2405061295 Seoul YONHAP in English
0553 GMT 24 May 95

[FBIS Transcribed Text] Seoul, May 24 (YONHAP) — Foreign languages skills of mid- and high-level government officials, including foreign service officials, are very poor, a shame for those who are supposed to bear the brunt of President Kim Yong-sam's globalization policy.

This observation was based on information gathered through a recent poll of 11,221 government officials with a rank of grade five or above, including 344 diplomats, and was designed to assess if they had the ability to speak a foreign language, and was conducted by the Government Administration Ministry. It was revealed by the poll not even one official can speak Arabic.

Of the 344 foreign service officials, only 47 said they can deliver an English speech and participate in English discussions at an international meeting. Those who can speak other foreign languages in a similar capacity numbered only 15 — three in French, one in German, nine in Japanese, two in Chinese and three in Spanish.

The situation is even less optimistic with non-foreign service officials. Of the 10,877 officials in non-foreign service areas, only 277, or 2.7 percent, said they have no language problems in English-speaking international meetings.

Those who can make a prepared English statement or briefing in such meetings numbered 907, or 8.3 percent.

While 4,183 officials (38.4 percent) said they can communicate in basic English conversations and communications, 3,137 (28.8 percent) replied they can read English books but cannot speak English, a reflection of the comprehension- or translation-first, English education system currently utilized in secondary schools which stress grammar rather than conversation.

Officials with no ability to communicate in English numbered no fewer than 495, 4.55 percent.

English accounted for almost all of the languages non-foreign service officials' claimed they could speak, showing a need for Koreans to learn other foreign languages, such as French, Japanese, Spanish, Arabic, Chinese and Russian, in view of their increasing relations with non-English speaking nations.

Those who said they can speak a non-English foreign language fluently were 10 (0.09 percent) in French, five (0.04 percent) in German, 71 (0.65 percent) in Japanese, six (0.05 percent) in Chinese, and two (0.01 percent) in Spanish.

Kan Chong-sok, senior researcher of the Korea Administration Research Institute, said only 3 percent of those who have become government officials after passing higher civil service tests can speak a foreign language fluently in international trade negotiations and other international meetings.

To survive these severe international competitions, the government must reform the civil servant recruitment system and the foreign language education system.

Doosan Group Starts Foreign Internship Program

*SK2405065595 Seoul YONHAP in English
0637 GMT 24 May 95*

[FBIS Transcribed Text] Seoul, May 24 (YONHAP) — The Doosan Business Group has introduced a foreign internship program under which it will employ 18 foreigners in an effort to "globalize."

The group disclosed Wednesday that it has recruited 18 foreign interns from among applicants recommended by 50 reputed U.S. universities to participate in the foreign intern program, the first of its kind in Korea.

The interns comprised of Americans, Australians, and Korean- and Chinese-Americans will be assigned to several of the group's affiliates, like the Doosan Beverage and Doosan Industrial Companies, for periods ranging from three months to one year, depending on their preferences.

On weekdays the foreign interns will work at workplaces along with their local colleagues, but on the weekend they will have meetings with the latter and tour historical sites in the country.

Working in firms affiliated with the group, the interns will study the Korean language, economy and culture, while the local employees will have a chance to acquaint themselves with foreign languages, culture and customs, group officials said.

During internships, participants will be provided with lodging, a 500 U.S.-dollar monthly stipend and lunches. Upon completion of their internship, they may be employed as regular staff members.

"The foreign internship program is designed to help enhance the employees' sense of globalization and help them to better adapt to new job requirements," a group official said.

Securities Houses Report on Profits, Investment

*SK2305081495 Seoul YONHAP in English
0725 GMT 23 May 95*

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — South Korean securities houses recorded 44.3 million U.S. dollars in profits from the operations of their foreign exchange funds this year ending March 31, down 23.4 percent from a year ago, the securities supervisory board said Tuesday.

The figure breakdown shows 20.3 million U.S. dollars in earnings from underwriting foreign securities, up 82.3 percent, and 24 million dollars in investment yields or profits, down 40 percent.

The lackluster Asian securities markets last year, as well as the fall of overseas Korean paper, or foreign exchange-denominated securities issued by Korean companies overseas, were responsible for the decrease in investment profits, board officials said.

Foreign exchange funds domestic brokerage houses had available for operations totaled 1,114 million dollars at the end of March, up 61.7 percent from a year earlier.

Of these funds, they invested 784.7 million dollars in foreign exchange-denominated securities, set aside 286.8 million dollars for capital of overseas branches and locally incorporated firms in foreign countries, deposited 37.7 million dollars with foreign banks and invested 4.8 million U.S. dollars in overseas property.

Investment in stocks and stock-related products amounted to 720.2 million U.S. dollars, up 81.3 percent from a year earlier, and investment in bonds and bond derivatives came to a total of 64.5 million dollars, up 54.5 percent.

Investment in overseas Korean paper amounted to 185.9 million U.S. dollars, representing only 23.7 percent of the total investment in foreign exchange-denominated securities.

Reportage on Labor Minister Bribery Case

Prosecution Investigates Minister

*SK2305034395 Seoul YONHAP in English
0257 GMT 23 May 95*

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — The prosecution said Tuesday [23 May] it is investigating Labor Minister Yi Hyong-ku on suspicion that he, while serving as governor of the Korea Development Bank between 1990 and 1994, had allegedly received bribes totaling "an enormous amount" from a number of companies in exchange for approving soft loans from the bank.

Yi has thus become the first incumbent cabinet minister to be investigated since the Kim Yong-sam administration took office in early 1993.

Yi served as head of the state-run development bank between September 1990 and December last year when he was picked to join the cabinet as labor minister, and he is suspected of having received during this time tens of millions won in bribes from two to three firms in return for the bank's development loans carrying an annual interest rate of only 6 percent, a spokesman said.

Some officials of these firms recently confessed to having paid bribes to Yi and other officials of the bank, he added.

Accordingly, three or four former and incumbent officials of the bank are also under investigation, he said.

The prosecution will examine, within the week, the bank accounts of Yi and other officials of the bank but also of officials of the firms to find out how much money has flowed from the latter to the former.

The spokesman said the prosecution would announce an interim investigation report towards the end of the week.

Minister Yi Hyong-ku Resigns

*SK2305063195 Seoul YONHAP in English
0612 GMT 23 May 95*

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — Labor Minister Yi Hyong-ku Tuesday [23 May] submitted a letter of resignation to Prime Minister Yi Hong-ku while rumors are circulating that the prosecution is investigating him for his alleged involvement in a bribery scandal while serving as governor of the Korea Development Bank (KDB).

Minister Yi called on the prime minister at his office in the government's headquarters around noon, and handed in his resignation saying, "I'm very sorry for having aroused so much trouble," according to officials at the Labor Ministry.

Yi has served five months as the 12th labor minister after taking the post on December 23, 1994.

Yi Hyong-ku Questioned

*SK2405101895 Seoul YONHAP in English
0720 GMT 24 May 95*

[FBIS Transcribed Text] Seoul, May 24 (YONHAP) — The prosecution summoned former Labor Minister Yi Hyong-ku Wednesday afternoon to question him about allegations that he accepted bribes totaling 100 million won while serving as governor of the Korea Development Bank.

Yi was interrogated intensively as to the amount of money he received in the form of kickbacks from the Duksan Group, and some 10 other companies, in return for low-interest Korea Development Bank loans made between September 1990 and December 1994, when he was the bank's governor, a spokesman said.

He was also pressed to explain how he laundered "the dirty money" by way of three bank accounts under false names which he opened at the Commercial Bank of Korea and the Korea Housing Bank, where the money then flowed to and from some 40 borrowed-name and real-name accounts he opened at a number of other banks.

The prosecution is expected to seek an arrest warrant against him if the allegations are found to be true, the spokesman said.

Chin Yom Appointed New Labor Minister

*SK2405010595 Seoul KBS-1 Radio Network
in Korean 0020 GMT 24 Mar 95*

[FBIS Translated Text] President Kim Yong-sam today appointed Chin Yom, former minister of energy and resources, to replace Labor Minister Yi Hyong-ku who was dismissed on bribery charges. Reporter Kim Chin-sok reports from Chongwadae [presidential offices]:

[Begin Kim recording] Chin Yom, former minister of energy and resources, has been appointed the new minister of labor. Chongwadae Spokesman Yun Yo-chun announced that President Kim Yong-sam appointed Chin Yom as the new minister of labor this morning based on a recommendation by Prime Minister Yi Hong-ku regarding the replacement of Minister of Labor Yi Hyong-ku, whose resignation was accepted after he was accused of bribery.

New Minister of Labor Chin Yom, 52, is from Puan, North Cholla Province. He graduated from the College of Commerce at Seoul National University and was vice minister of the Finance Ministry and the Economic Planning Board. He served as the minister of energy and resources during the Sixth Republic, and afterwards taught at Chonbuk University.

Regarding the background of the appointment, a Chongwadae official said Minister Chin Yom is well versed in economics as a result of his experience with economic ministries, and is expected to exercise good control over the presently complicated labor situation. [end recording]

Hyundai Auto Plant Resumes Normal Operations

SK2305050095 Seoul YONHAP in English 0451 GMT 23 May 95

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, May 23 (YONHAP) — Hyundai Motor Co.'s auto plant here resumed normal operations at 8 am Tuesday.

Ninety-six percent of the 24,382 workers who were supposed to report to work for the daytime shift, or 23,406 employees, showed up at the plant Tuesday morning.

In particular, the ratio of production line laborers who reported to work was 94.8 percent, higher than expected with 16,732 workers assuming their duties.

The non-absentee rate fell somewhat lower than the usual rate of 97 percent, but the figure is still considered high for the first day ending the six-day-long shutdown, company officials said.

Normal operations at the nation's largest auto plant resumed 11 days after a sacked unionist attempted to burn himself to death demanding his reinstatement.

Police, meanwhile, have decided to withdraw the six riot police companies, over 700 troopers, stationed at the plant on Tuesday morning.

The Federation of Hyundai Group Trade Unions also retracted its instruction for unionists to boycott overtime work.

But some apprehension remains about the possiblity of additional work boycotts and possible sabotage, at passenger car factories Nos. 1 and 2, at which the "measures committee for the self-burning incident" orchestrated the illegal strike. The issue of whether to compensate Yang Pong-su for his medical expenses, who attempted a suicide by self-burning, has yet to be resolved.

Female Declares Candidacy for Seoul Mayor

SK2305061895 Seoul YONHAP in English 0529 GMT 23 May 95

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — Kim Ok-son, former lawmaker and woman, declared Tuesday her candidacy to run independently in the mayoral election for Seoul, slated for June 27.

Kim's declaration will bring the total number of independent candidates for the election of Seoul mayor to four. The other three independent candidates are Pak Chan-chong, Hwang San-song and Kim Yong-kap.

Choe Kyu-ha To Testify on Kwangju Uprising

SK2405072095 Seoul YONHAP in English 0705 GMT 24 May 95

[FBIS Transcribed Text] Seoul, May 24 (YONHAP) — The Seoul District Prosecutor's Office investigating a suit filed against former Presidents Chon Tu-hwan, No Tae-u and Choe Kyu-ha and others for their alleged involvement in the armed suppression of a democratic movement which occurred in Kwangju in May 1980 will question Choe about his role in the suppression by sending two prosecutors to his home next Tuesday.

Choe affirmatively responded to the prosecution's plan to send officials to his home for questioning, contrary to his refusal last year to answer written questions regarding his role in the army's "coup d'etat-like incident" in December 1979 which led to then-Maj. Gen. Chon Tu-hwan seizing power in August 1980, a spokesman said Wednesday.

Chon is expected to submit his written answers to the questionnaire the prosecution has requested he answer by Saturday. Prosecutors are expected to examine Chon's answers before sending two officials to Choe's residence for questioning, he added.

The interrogation will focus on Choe's actions while acting president at that time — his naming Chon, then defense security commander, to concurrently lead the Central Intelligence Agency, his role in the cabinet's decision to expand the martial law rule proclaimed in the wake of President Pak Chong-hui's death in October 1979, and his role in the establishment of the Special Committee for National Security Measures. It will also review the circumstances of Choe's transition of power to Chon in August 1980.

The prosecution said late last month that Choe's testimony is necessary to determine whether a group of army officers led by Chon and No committed a crime by suppressing the democratic uprising staged by Kwangju citizens in May 1980 by force.

Cambodia

Cabinet Meets To Approve ASEAN Membership

BK2405081495 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 24 May 95

[FBIS Translated Text] The cabinet of the Kingdom of Cambodia held its plenary session this morning under the chairmanship of Samdech Hun Sen, second prime minister, to pass two important documents before presenting them to the National Assembly for approval.

The cabinet examined and discussed a treaty for Cambodia to become an ASEAN member and passed a bill on medicinal control.

In his opening speech, Samdech Hun Sen stressed that according to Article 90 of the Constitution which says the National Assembly shall approve or abrogate international treaties, the Royal Government of Cambodia must first approve the treaty for Cambodia to join the ASEAN before requesting the National Assembly to ratify it.

Ranariddh Said Trying To 'Silence' Sam Rangsi

BK2405105195 Hong Kong AFP in English 0959 GMT 24 May 95

[By Kevin Barrington]

[FBIS Transcribed Text] Phnom Penh, May 24 (AFP) — Former Finance Minister Sam Rangsi on Wednesday accused his party leader and First Prime Minister Prince Norodom Ranariddh of trying to "silence" him by attempting to have him thrown out of Cambodia's parliament.

"I think the objective is to silence me, this is the threat when I am stripped of my parliamentary immunity, then I can be arrested anytime," Sam Rangsi told reporters Wednesday.

He said he could be arrested for "defamation" for his repeated allegations about government corruption.

"I think they want to silence me and to frighten me," he added.

The move to throw him out of parliament was also unconstitutional, a violation of the national assembly's internal regulations and the electoral law introduced by the United Nations to govern the May 1993 UN-supervised elections, he said.

He added that a team of local and foreign lawyers backed this interpretation.

Sam Rangsi said he had stashed documents detailing government corruption abroad as insurance in case he was arrested or in the event of any harm befalling him.

"If they arrest me and tell a lot of things without giving me the possibility of defending myself, I have given instructions to release them immediately," he said.

"And it will be a bomb," he added.

Prince Ranariddh recently wrote to Chea Sim, chairman of the national assembly, informing him that Sam Rangsi had been expelled from the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, and requesting that he be ousted from the assembly.

But the former minister, who was sacked from his finance post in a cabinet reshuffle last year, said he refused to recognise the FUNCINPEC's decision to expell him.

"I don't recognise it, if they push I will go to court," he said.

Sam Rangsi said that as a member of the FUNCINPEC party steering committee he should have been present at the May 13 meeting when the expulsion decision was made. He dismissed as a "lie" FUNCINPEC spokesman Khov Meng-Hean's comment that his presence was not required as he had been sacked from the steering committee in February.

Even if he was expelled from FUNCINPEC, this did not mean he could be thrown out of parliament, he said.

Sam Rangsi challenged Prince Ranariddh's move by saying that in countries such as Germany and Austria, which have similar proportional representation systems of voting, MPs can leave their parties and still retain their seats in parliament.

Ousting him would also leave other MPs feeling threatened and "you will have a real rubber-stamp parliament," he said.

"It would be a real set-back for the democracy that the United Nations has established in Cambodia," he added.

One of the main pretexts for expelling him from FUNCINPEC was that he had suggested setting up a new political party, he said.

But the former minister said he had only talked about setting up a new political "alliance."

He, however, was somehow vague about how this "alliance" would fit into the current political structure and how it differed from a party.

But he said he would support the current government "if they changed their policies."

"Corruption was the main problem plaguing the country," he said.

"Vested interests are very strong. There are very strong links between business and government leaders," he added.

Hun Sen Interviewed on Power, Future

BK2405103595 Phnom Penh PHNOM PENH POST in English 19 May-1 Jun 95 p 8

[Interview with Second Prime Minister Hun Sen by Matthew Grainger; place and date not given: "Hun Sen: the Power and the Politics"]

[FBIS Transcribed Text] Phnom Penh Post: Now that the Naga Resort casino has been opened, are you happy with the deal that has been struck with Ariston?

Hun Sen: We have signed the agreement with Ariston not only for the purpose of a casino but to establish the infrastructure of Sihanoukville. What we are pleased with in the agreement is the increase of electricity supply, development of an industrial zone, the development of the airport, and the development of the infrastructure in Sihanoukville. The casino is just a small portion within a substantial investment agreement, but even though its a small portion we realize its importance and the benefits we will get from it. First the casino can attract tourists to enjoy the country; we could also make use of the profit we get from the casino for national reconstruction. What we would like to prevent is Cambodian people playing in that casino.

Q: Ariston says it will take one year at least before it is able to begin development in Sihanoukville. Is this fast enough?

A: I see the time is suitable for all these things to proceed, because within this package there are small agreements still to be signed in order to proceed. For example, related to the supply of electricity and building of the airport, roads, industrial zone, each of these needs agreements to be signed before plans are carried out. We have set up our own task force in order to prepare all these agreements.

Q: Relating to the Ariston deal, do you believe CDC [Council for the Development of Cambodia] acted on too wide an authority; and should this be changed; and can it be done under the current CDC leadership?

A: I think that what has been done by the CDC conforms with the mandate it has to the duty and trust to the Royal government. CDC has been authorized as the one-stop agency with reference to investment, but the final decision is still in the hands of the Royal government, because the people who sign such an agreement have to get the power entrusted by the Royal government. So the final decision is with the Royal government, there is no necessity to change any powers or structures of the CDC because it is now doing things according to duty and trust. On the contrary, CDC has facilitated a lot of our work as a one-stop service.

Q: So there is no suggestion in the casino deal that the CDC moved beyond its powers?

A: There is no such suggestion because I also keenly followed such matters from beginning to end an I could even say that I am one of the people responsible for all the government has been doing. I have to defend CDC which is under my responsibility.

Q: Do you agree that Sam Rangsi should be removed from the National Assembly, something Rangsi says is being pushed by Prince Ranariddh?

A: With the question of having opposition, or not having opposition, it is the right of the people to do that. It has been clearly stipulated in the constitution that Cambodia is now in pluralism. For me this is the time to say that Cambodia is a free country, Cambodia now practices pluralism. With reference to the candidacy of Sam Rangsi in the National Assembly, I think it is the internal affair of one party which has to be resolved by that party. For me, in the other party, I will not interfere in the internal affairs of another sovereign party, but if this subject could be tabled for discussion in the National Assembly I think CPP [Cambodian People's Party] Parliamentary members would discuss it thoroughly. One has to remember that the 1993 election was a proportional election with candidates standing on behalf of the party. With regard to CPP, if there were any members of the National Assembly and they resigned from the CPP, then they should be out of the National Assembly too because they would no longer be members of the CPP. This is just my own thinking, but in the case of Sam Rangsi, this has to be decided by FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia].

Q: There is less being heard now of the Khmer Rouge, and seemingly less too of national reconciliation. Are there still positive steps to reconcile with the Khmer Rouge?

A: The Khmer Rouge are no longer an important problem for Cambodia, the important problems are social and economic development. Regarding the question of integrating the Khmer Rouge into society for national reconciliation, that is a bit out of date. The Khmer

Rouge have already been outlawed by the National Assembly. The Khmer Rouge is no more a political or military organization like they had been within the SNC [Supreme National Council] before the election. They are no more the counterpart for talks with the elected Royal government. What we have to think is that we cannot accept the political organization of the Khmer Rouge but we can accept some people within the ranks to integrate within society. This is the acceptable level when we refer to national reconciliation. We have already integrated thousands of rank and file, and Khmer Rouge officials and their families into society. We will pursue this policy and re-integrate those people to come to live within society. Right now you see the Khmer Rouge is not a problem, or an issue we have to talk about every time, we have to talk more about social and economic development. For me, I don't believe how wide we have to open the door for Khmer Rouge leaders to be integrated into society. For a long time their habit has been to live outside society, they have been living in the forest in the 50's, 60's even in the early 70's. Even when they were in power in 1975 they lived outside the people, and killed people. Later, even when we opened the door and they had legal presence, they did not come into society. Why, that they are now illegal, should they come? So we put it aside and solve this stage by stage, but that does not mean we will integrate them within the Royal government. They are no more a political or military organization. We can say again, this is a bit out of date.

Q: Co-Interior Minister Sar Kheng says Cambodia's biggest problem is corruption. Do you agree with Sar Kheng?

A: That is just the opinion raised by His Excellency Sar Kheng himself, but for me I think economic and social development. There is nothing to refer to corruption. It is the chicken and egg, we don't know what comes first. The main issue is to develop society and the economy. I still remember during the Pol Pot time people had nothing except rice porridge. so people had nothing to think of. Even the young men and young women when they met each other, they had no feelings because they had no strength. Right now they have better living conditions, they have time to think of good clothes and other things. So I still hold the view that social and economic development is the most important question to deal with, and this is the view of the two Prime Ministers together. The question is that if there is no rice in the warehouse how could a thief steal the rice?

Q: Regarding international aid: Can you see a time when Cambodia could stand on its own; or, now that the United States has admitted its "mistake" relating to the Vietnam war, is there a case that the United States and others should be doing even more for Cambodia?

A: First we have to be grateful to the international community for all the assistance to Cambodia because this provides all the important basics for our proceeding. But we have to realize that we cannot always rely on international aid. What is important is that we have to continue working hard so that in time we can stand on our own two feet. Therefore we have to make the best use of the opportunity provided to us more for our own development. Right now we have to strive to seek balance between supply and demand, especially of foodstuffs. It is important to resolve the question of providing food to the people first. We also realize that the international situation is more favorable to us now than at any other time. Cambodia now has no enemies, only friends, and they give us assistance. But we have to remember that there are many problems in the world that require the assistance of rich countries. For example, the problems you can see right now in the former Yugoslavia and Soviet Union, Somalia, Rwanda, all these problems require assistance from the rich countries. Besides this, each country has problems of its own, such as the earthquake in Kobe, Japan. So we realize that we have to make the best use of the political opportunity provided to us now. About the second question, that right now America has confessed its mistakes and whether America has to do more for Cambodia. The important thing for us is not whether America has confessed its mistake or not, because that is already history. We do not want even Japan, America and France to admit their mistakes committed against us. And we do not demand any countries pay for all the war they have waged in our country. What we would like to have from them is their understanding of our difficulties over the last two decades and give us assistance. So we are very grateful for all the assistance given to us of which we will make the best use.

Q: In other countries, democratic countries, there are always powers behind the leader. Leaders know who are their friends, and who are not. Is it true that you can estimate if you have say 100 percent support from every member of CPP, or must you constantly gauge who is supporting you and who might not be?

A: For me it's not like what you mention because I have been here 16 years among all the leaders of CPP. And by the way, I need not have ambition for power nor would I like to prolong my authority or power. If one day I become the out-of-date and meaningless man or cannot work for the nation I should walk out of the job by myself. But I am pleased that the people support me to work for them, this is the inexhaustible strength given to me. Within my party, they trust me as their representative in the government; therefore, there is no need for me to know this and that person, because right now in Cambodia there are too many political parties. So the big question is to jointly work for the nation. I mention this because I can even work with the people in the opposition, not only the people who pursue the same policy. Without opposition it is hard to say we have democracy, and without opposition it is hard to know whether what we are doing is right or wrong. Opposition is like a mirror to reflect our activities.

Q: It becomes a different question if there is opposition within the party... it becomes personal in some ways and has to be resolved. You can work with the (FUNCINPEC) opposition and democracy must have two sides, but within the same party it becomes divisive. Is this a problem?

A: Lately I mention the opposition party, but within one party there cannot be any opposition because each party has its own statutes within its own internal regulations. Only by a congress can such statutes be amended. So anyone who has been working against the principles of the CPP, if they do not resign from the party they will be expelled by the party. So the question is different between working with the opposition party and with opposition within one party. If there is opposition within the one party then it shall not be a party.

Q: FUNCINPEC obviously has that division. Has CPP got any such divisions, that might not be so public?

A: Within CPP, if I'm not mistaken, there was such a rumor for 10 years already of a "division" between Chea Sim and Hun Sen. But finally Chea Sim and Hun Sen are still working together with good cooperation. So one has to end the suspicion of any division within CPP. But the difference of opinion or the different way of talking is democracy within one party. Within the CPP, the members are not just "yes-men". Before we come to any decision we undergo a thorough debate. Once the question is decided everyone has to take it, to follow that decision and any person who goes against it will no longer be a member.

Q: You have personally been a leader for 16 years, do you see yourself being a leader for another 16 years?

A: There is no certainty in human life. One of my advisors died just a few days ago, he was just 48 years old. This advisor had sometimes discussed with me about a 10-year or 20-year plan and I am very sorry he died so soon. Yesterday I went to his native village to bring his corpse to be buried there. I am also in the same case because I cannot be so certain about my future. And it is more uncertain for a politician. If I am not dead I might leave my position and work elsewhere. Only the farmers can maintain their roles as farmers from the beginning to end, because they attach themselves to the land, to the farm till they are dead. So I hope I will not stay too long.

Q: But you have been a leader over 16 years in one of the most wide-changing political areas of the world; maybe some people will say you will never leave politics or the power. Will you find it very difficult to work in anything other than politics?

A: That is one difficult question to foresee the future, especially for the politicians, some of whom are 80 years old, so if you compare them with me, who is only 40 years old, then it would seem that I will never abandon political life. In the 1993 elections I still remember some chiefs of parties were aged 70 or 80 years. When I look at their biographies those people had been involved in politics since they were in their 20's. So it seems to become a habit in the practice of politics. For me I could not foresee myself, because I cannot create my fate for myself. The question is the people, whether they support you or not. They realize that 20 or 25 years ago I never dreamed of being a prime minister, I seemed to be pushed by the situation. It seems we are forced by the political situation, however it also related to individual decisions too. But leave my case to be decided by the people. For those who like to foresee the future, let them say whether Hun Sen would like to stay or leave.

Q: The most important question, throughout history, is the potential problem of Cambodia's borders with Thailand and especially Vietnam. Is there any solution that has not yet been tried, and could it become a bigger problem?

A: The question of Vietnamese in Cambodia is a question of no question. For example some people talk about numbers of divisions of Vietnamese armed forces in Cambodia, but it is not the time to mention that yet. Referring to the question of Cambodia's border with Thailand, Vietnam and Laos we have set up a national authority to be responsible for this question. It is led by the copresident of the prime ministers. The principle for finding a solution is to pursue the law. We have to undergo peaceful negotiations and I believe the question is not more serious than that of the Khmer Rouge; it will not become more serious and more serious.

Hun Sen Speaks at Phnom Penh Medical School

BK2405053395 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 23 May 95

[Speech by Second Prime Minister Hun Sen at graduation ceremony at the Faculty of Medicine in Phnom Penh on 23 May — recorded]

[FBIS Translated Excerpt] I was one of the many leading actors in the talks to secure France's aid for this school during the time of the former State of Cambodia as well as now under the current Kingdom of Cambodia. So, I know the history of the French aid very well. I know how and through which channels we have obtained it. When His Excellency [H.E.] Jacques Chirac, as the lord mayor of Paris, was visiting Cambodia, I asked him to help persuade the French Government into placing Cambodia within reach of France's Cooperation Ministry, making it a country that would benefit from France's foreign aid. At that time, Mr. Chirac accepted my request and now that he is the president, I hope he will be favorable to that request. All of this stresses the premise that the quality of students begins with the quality of the instructors. In order for us to have good teachers to provide good teaching, we must solve the problems of the availability of good teachers, of good professors.

I would like to thank all the professors and teaching officials in advance and would like to admire all of you in advance for the fact that even if we fail to get French aid you will continue to teach, to form the students with all the necessary understanding, kindness, and care. This is the duty of teachers. One thing that we cannot avoid doing is to carry on whether or not we get French aid. It is your compulsory duty. I still remember our old teachers, our late teachers, such as Prof. Lam Min and Prof. Tep Pho. These old professors made it possible for us to have this moment. Many of them have left this world but it does not stop us from continuing to grow so that our country will last for the next thousands and tens of thousands of years because we have excellent human resources.

Today, I also thank all students who are graduates of the class of 1993-94 and who have been tested in the past year. I thank you for your diligence and perseverance in the face of hardship. It is true that the hardship of the 1990's cannot be compared with that of the late 1970's and early 1980's.

The head professor is very lucky. He was concurrently practicing doctor and teaching professor and he was sent to Germany for a few years since he was working in that position. He was spared. [laughter] When he returned, he found himself already in the 1990's. Nevertheless, we have gone through a period of great difficulty. The hardship in the 1990's is a far cry from that of the late 1970's and early 1980's. Yet, we cannot compare our country with other countries since we still have difficulties to overcome.

I would like to inform you that I certainly cannot help the students taking a joy plane ride to Hong Kong, Singapore, or France but I can help them cope with their more immediate needs. Of course, a newspaper I read this morning had this headline: Take a Look at Mr. Hun Sen's Salaries. [laughter] According to this newspaper, I have been paid quite a lot. As foreign minister from 1979 to 1986 — I was prime minister from 1979 to 1985 and from 1985 onward I concurrently held the jobs of prime minister and foreign minister — I was purportedly paid $1,000 a month — which is not true — and in addition to my pay as prime minister, I got something like 840,000 [currency not specified] — which is almost 1 million. The paper inquired where I got the money to build irrigation canals, gardens, and so on and if I had that much money.

I do not accuse this newspaper; its inquiry somehow is correct. However, do not forget that I am not the accused, the defendant either. Let us make this clear. I would like to state that during six months from the end of 1994 to the beginning of 1995, my income was about 1 million and my expense was also about 1 million. I am not afraid to talk of that and today I am spending not even a cent from my pocket to organize this party for our new graduates because this party is fully paid for by the Cambodian People's Party of the city of Phnom Penh. This is not a mystery. My income is about 1 million and my expense is also about 1 million. Where do I get this 1 million? They accused me of having so much money because I have built a garden. The truth is that the garden in question was the initiative of the prince krompreah. When he inaugurated a public garden he announced that since there was some land left, Samdech Hun Sen should take the responsibility of building another garden on it. I did not even know about that announcement when people started calling me to offer contributions. These contributions accrued to more than $400,000 and the garden is still not finished. This amount of money is quite a big one. So I have already spent more than $400,000 building a garden. As for schools, I have built them brand-new and I have built canals by the dozens of kilometers. In 1995 alone I have built more than 100 km of canals. Let alone the wells, I have built more than 20 ponds and there are as many as 23 school buildings under construction with a price tag of over $20,000 each. I have received more than 3,000 metric tons of rice from donors. So how can they inquire into my salary? My monthly pay is for feeding my wife, who is my finance minister [laughter], the head of my clan, of my family.

People have helped me with my different projects. For example, in my Krang Yov project, people have donated money to buy tractors and to build schools with their names on the walls. If you are so great, why don't you do it yourself? Try appealing for help and see if anyone help you.

What we should inquire is where did you get all that money to waste on newspapers? Where did you get the money to hire people to sign petitions against the Royal Government? Let us ask these questions. They are better than asking to know about Hun Sen's incomes and about where Hun Sen got the money to build gardens and canals. People have helped me build more than 100 km of canals and have donated more than 3,000 metric tons to barter for labor. In monetary terms, over 3,000 metric tons represent $600,000 to $700,000. I spent $400,000 on the garden, more than $400,000 on Krang Yov, and some $200,000 more on projects other than Krang Yov. So, the income is over 1 million and the expense is also over 1 million. These are my accounts. I have not touched the cash. The donors gave me checks and sometimes they helped me to pay directly for the projects. I just told them I wanted the schools to be in this or that size with plans and schemes and they agreed with me and financed them directly.

Suppose I do nothing, suppose I stay idle, then they would attack me even more harshly. They would interpret that as our government's inaction, charging that the government does nothing. Just the two of us prime ministers alone, this year we have built more than 200 km of canals, large and small, as the prince krompreah also has built over 100 km of canals. They still attack us although we have accomplished that much. They would attack us anyway whether we work or not.

I have distributed rice to over 1,000 persons at 13 monasteries. [words indistinct] nearly 7,000 students and this has been reported by the chairmen and vice chairmen of Students' Associations of various universities and faculties. If they still rake up troubles after I have helped this much, maybe I will have to remain silent.

Allow me to deal a little more on this, please. What do we want most of all? Like the world community, the Cambodian people — especially the overwhelming majority of them under the leadership of his majesty the king and the legislative and executive institutions — want the country to have stability in order to develop the country. The students want stability so they can study. The citizens want stability so they can build the country. This is the real aspiration. However, at no moment should we forget that there are the Khmer Rouge and their extremist allies who still want to fish in troubled water. For this reason, they have accused some students and some students' association chairmen who have close links with the government of being the latter's puppets. I have heard about that. So let us retort to them: To be a student, does one have to be antigovernment?

That is because, to them, to be student means you have to attack the government; if you cooperate with or support the government, you are not students.

Moreover, the Khmer Rouge are also opposing and attacking the government. If you oppose and attack the government, then, what are you? Ask yourselves who you are. If you attack me individually, I do not mind that much, but do not attack the government.

They have written that Cambodia can be stable only when there is no Ranariddh and Hun Sen. So, I asked them: Does this mean that the country will have stability when the Khmer Rouge and you guys control the country? Then they wrote: Samdech Hun Sen please resign from your post and let H.E. Sar Kheng take control for a change. [laughter] Just like that. [laughter]

And then they spread the news that H.E. Sar Kheng was going to join a new political party. Let alone Sar Kheng, even a thumb-sucking kid would understand the situation. Sar Kheng is riding a ship, how can you expect him to jump into a leaking skiff? You should not be so simple-minded. Stop barking at the plane.

Let me add this, some extremists have contended that Cambodia's political situation is desperate, that salvation is needed, that a national salvation movement or national salvation government must be set up. This salvation bid is not a good thing. There was a so-called salvation in 1970 and the Khmer Rouge are having their salvation in Preah Vihear. Now there is this group which wants to have national salvation in Phnom Penh. Yes, that is what is happening.

However, when the Khmer Rouge and this group were contending that Cambodia was in distress, his majesty the king graciously praised the government for the development of the country. I am watching the difference between what the extremists claimed and what the king said. His majesty the king is trying to solve the remaining difficulties caused by our poverty, by the drought and the floods — a problem that must be solved, that the government is solving, and that the king is dealing with through the creation of a Samdech Euv mobile group of assistance equipped with tractors, water pumps, and other necessary materiel to help the small people. His majesty the king praises the government and parliament while the Khmer Rouge and the extremists contend that the Cambodian situation is hopeless. These individuals do not mention at all the Pol Pot era when people were clubbed to death with bamboo sticks. I am not making any innuendo against anybody and I ask these individuals not to take it upon themselves.

The other day when I disembarked from the plane — I went to France and from there onward to the United States — on my return to the airport I met a group of journalists and was asked by an unidentified newspaperman: H. E. Samdech, how about those who tried to oppose aid?

I answered: Only Pol Pot, only the Khmer Rouge would oppose aid. Anyone who opposes aid must be a Khmer Rouge or Pol Pot number two.

Then a person interpreted that remark to mean him. At the same time, he denied that he did not urge foreign countries to cut aid to Cambodia. So, if you are the judge, the lawyer, what will you determine?

He denied he had called for any cut in aid. Then, why did he deny he was a Pol Pot, why did he think I meant him in my remark?

The other day, let me tell you, I informed his majesty the king. I called on him after I returned from France. I had to report to the king on my mission to France because I went there on behalf of the king, of the Kingdom of Cambodia. I thus informed the king about my visits abroad. I said: I would like to be straightforward with you. My wife was there, too, when I called on the king and queen. I said: I ask that those people do not get outside the political chess board, do not overstep politics. This is my request. Please do not step out of the political circle and into political and armed violence. This is the fourth time I have talked about this issue on television. Please do not get out of this political realm. If I have evidence that you are involved in armed activities, only if only three persons are involved, your lives will be short. I tell you this in advance. [applause] I informed the king that I dare to do this much to Sin Song and Sin Sen; I am not afraid of dealing with others. You do not behave yourselves, the country is in need of [words indistinct]. If you dare to step toward political and armed violence, your lives will be short. This is for your information. We all swore in front of the throne. Therefore, all of us have to abide by our oath; to not do so cannot be accepted. I am using military language now. This is military language. I also said clearly and repeatedly: Do not do this. If you want to play politics, go ahead. Go on, write whatever you want. However, if this affects others, you can also be tried. Not just the newspapers. Even I will be tried if it affects others.

So now that our situation is progressing, they have contended that our situation is hopeless. I only take this opportunity to inform you, excellencies, ladies, gentlemen, and young fellows, that our political situation at this time is very favorable. I can say that this political situation is more favorable than at any time over the past 25 years. This is a fact. I only have to raise three fundamental points to elaborate on — it does not mean that everything is excellent for us. Therefore, I am raising three points as the basis on which to see whether we can advance or not.

1. How different the material and life-style conditions of the people in 1995 are from those of 1979. In 1979 all of us without exception had to wear black. All of you who now sport neckties wore black shirts. The ladies who now have paint on their nails had broken, worn nails. No one could wear earrings or risked being clubbed to death by Pol Pot. Now you are wearing brand-name sunglasses and other frills. This is the truth. What did we have when we first were liberated? I found only 70 inhabitants in Phnom Penh when I first entered the capital. We are all living witnesses. And where were the students? A number of students had to start over their primary or secondary education in 1979 in order to enter medical school in 1987 or 1988 or 1989. We know how difficult it was materially and in terms of life-style back then. We still remember when we had to study under the trees, using charcoal to write on wooden boards. It was completely different from now. We did not even have shoes then but we have bicycles now. A number of doctors even have cars and motorcycles. That is the difference between then and now. And that is what I want to point out to you. We have come from the state of having no shelter to this one where we have shelter. Even though these shelters are not that great yet, they constitute a basis for us to advance. If the material basis has differed so much between 1979 and 1995, will we or will we not be able to further improve?

2. During the pre-election period or the time before the Paris Agreement, the former State of Cambodia did control a vast territory and a large population but it was not recognized by the United Nations. Not only was it deprived of UN recognition, it was also subjected to economic sanctions. Each of the three or four parties at that time wanted to survive alone as Cambodia was divided into different groups, different parties. Now Cambodia has no enemy. The whole world has recognized the Kingdom of Cambodia and has given it aid. From being punished to being aided, can we say we have not progressed? To put it straight, I negotiated with France in 1982 and again in 1984 when I was in Paris. France told me that under the prevailing political situation, it cannot give us any aid. That was then. It

is different now. The pay of our functionaries has been bankrolled by France which has been the second after Japan to come to our aid. The international situation at this time is more favorable to Cambodia than ever since World War II. Our domestic situation is more favorable than at any time over the past 25 years and the international situation is more so since World War II. In the past this or that country either opposed or supported Cambodia. Now we have no enemies. We have only friends all over the world and we are getting aid from most of them.

3. In the past, Cambodians fought against one another to survive. Now that we Cambodians are united, can we survive? When we fought against one another, some of us were killed but we survived. Now that we are united and can pool all our resources — human, intellectual, and material — to build the country, it is an excellent opportunity for us to advance.

Sorry, I do not understand the language used by someone who said that Cambodia's situation is hopeless and Cambodia needs urgent help. In Cambodia now, if you cannot conjure things up like a magician, do not make people believe you are one. If you cannot make rain and storms on demand like Rama, do not come to Cambodia and pretend you are better than others. So what if you are rich now. The most you can do is getting three times richer. Maybe you might become poorer because if you come here Pol Pot might just follow you.

When the prince krompreah and H.E. Sar Kheng were distributing aid to victims of Khmer Rouge attacks, they wrote that we were waging a meaningless war. What do they want to say? I do not understand what is a meaningful war and what is a meaningless war. While the Khmer Rouge attacked the people and forced thousands to become war refugees, we only exercised our right to protect the people and they accused the government of waging a meaningless war! What kind of a language is that? It should be closely examined. Judgment, anyway, is an individual matter. The important thing is that we must judge ourselves as well.

Now I am going to say what I have wanted to say all along, which is to congratulate all of you on your graduation. I wish all of you success in what you must continue to do, which is to serve the people in the fields of health care, medical treatment, and pharmaceutical production.

Khmer Rouge Issue Communique on Famine

BK2305063695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 22 May 95

["Press communique" on the meeting of the cabinet of the Provisional Government of National Union and National Salvation on 22 May — place not given]

[FBIS Translated Text] I. On Monday, 22 May 1995, the cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held a plenary session chaired by His Excellency [H.E.] Khieu Samphan, prime minister and minister of the National Army. The cabinet meticulously discussed the issue of famine that is most seriously affecting people throughout the country.

II. According to reports from all places, from the people, and from all provincial committees of the PGNUNS, our people are seriously lacking food everywhere, in rural areas and in cities, particularly in rural areas.

Famine has been affecting everyone daily since the communist Vietnam's aggression against Cambodia 16 years ago. However, famine has become a problem everywhere, in every commune and village, in 1995. Some have starved to death, particularly children, babies, women, and elderly people.

Observation has clearly revealed that the cause of famine in Cambodia is not a change in the weather, drought, or floods, which occasionally take place. The basic and chronic causes are:

1. The war of aggression, race extermination, and territorial annexation of communist Vietnam. Communist Vietnam's war has destroyed the economy of the Cambodian nation and people, particularly the economy in rural areas. The people had to repeatedly flee fighting and had been conscripted for the K-5 plan to serve as soldiers and militiamen. They had no time to carry out production work. The offensive operations of the two-headed government troops destroyed everything wherever they went. They burned houses and stored paddy; robbed cattle, pigs, and poultry; executed the people; and raped wives and daughters of the people in a most fascist manner.

2. The communist Vietnamese aggressors and communist Vietnam's puppet administration robbed and expropriated the people's farm land and rice fields. Furthermore, over 4 million Vietnamese have taken over millions of hectares of farm land. The Vietnamese also took over rivers and lakes; they took over forest, fish, and all kinds of economic activities of the nation and people.

This is the constant root cause of the current famine. In a situation in which the people are starving nationwide, the traitorous two-headed government has made efforts to fuel the great destructive war of aggression at the order of communist Vietnam and the alliance, the United States, Australia, and France, their masters. This has worsened the famine situation.

Thousands of millions of dollars borrowed from abroad have been used to continue the war. Taxes forcibly levied against the people are also used to wage war. The alliance have given left-overs, also for the purpose of continuing the war. Even the little amount of humanitarian rice received has been used to feed the two-headed government troops to continue the war.

According to reports, the people can no longer put up with it. They have risen up to struggle and protest to the administration of the two-headed government in villages, communes, districts, and provinces. The people have called strikes and attacked rice warehouses of the two-headed government. They have staged demonstrations and marched into Phnom Penh to the houses of Hun Sen, Chea Sim, and Ranariddh.

III. The PGNUNS and the National Union Party firmly and resolutely assist and support the struggle of the people to feed themselves and to live. The PGNUNS and the National Union Party would like to declare that the famine of the people is an emergency and the hottest issue of the entire nation and people; it should be most urgently resolved.

The stance of the PGNUNS and the National Union Party on this issue is as follows:

1. Immediately and definitively end the war of aggression of communist Vietnam which the two-headed government and the alliance are fueling. Ending the war is ending famine and saving the nation. If the two-headed government does not end the war, this is a great crime and genocide. It is a traitorous act most seriously killing the nation and people. The Cambodian people and Cambodian history absolutely cannot tolerate this.

2. As for this rainy season, the two-headed government should not conscript the people, who are working their land, to serve as soldiers and militiamen and to fight and die on the two-headed government's behalf. The people should be left to fully carry out farming activities.

3. Furthermore, the people have made preparations to farm the land this rainy season. They have planted rice and subsidiary crops such as cassava, yam, corn, bean, sesame, pumpkin, gourd, and have raised various animals appropriate with the war situation in order to reap the results on time and to prevent them from being destroyed by the two-headed government's troops. The relevant ministries and committees in the provinces and everywhere of the PGNUNS, the National Union Party, and the National Army of Democratic Kampuchea have been directed to continue providing all kinds of assistance to the people and work with the people. One hand fights the enemies to protect villages and communes and the people while the other joins the people in production work to gradually resolve and improve the people's economy and living conditions.

IV. The cabinet of the PGNUNS and the National Union Party would like to reaffirm their political stance, namely to build the nation's economy and resolve the people's living problems by basically and importantly relying on the forces of the nation and people and national resources. This is relying on the force of great national union to unite the entire nation. Furthermore, we welcome assistance from abroad in the form of technical knowhow, material, or investment that serves the development of the national economy and the people's living conditions.

In our view, all of this is possible only when the war is ended and when there is genuine peace and national reconciliation.

The Secretariat of the Cabinet of the PGNUNS

Monday, 22 May 1995

Indonesia

East Timor Commander on Fretilin Clashes

BK2405080795 Jakarta ANTARA in Indonesian 1859 GMT 23 May 95

[FBIS Translated Excerpt] Dili, 23 May (ANTARA) — A member of the Fretilin [Revolutionary Front for an Independent East Timor], a security disturbance movement in East Timor, was shot dead in an armed encounter with security personnel near Muapetin Village, which is situated to the east of Los Palos town, Lautem District, East Timor, on Sunday morning (21 May) at about 0800 Central Indonesian Standard Time [0000 GMT].

Colonel Kiki Syahnakri, commander of the Wiradharma Area Military Command 164, who was contacted by ANTARA on Monday evening, said that the incident took place following a tipoff from Muapetin villagers. The residents told the security authorities that five Fretilin members armed with two pieces of weapons frequently committed acts of terror and robberies in the village.

Based on the report, the local security personnel moved to a location targeted by the Fretilin.

The report was true, and an armed encounter between Fretilin members and the local military personnel ensued.

"A Fretilin member, whose identity remains unknown, was killed during the armed encounter," the commander said.

He said that one firearm was seized from the Fretilin and four other Fretilin members fled.

Meanwhile, two Fretilin members were shot dead in an armed encounter with security personnel from the Cailaco Military Precinct Command of the Military District Command 1636, which has a jurisdiction over Bobonaro District, six days earlier or on 10 May 1995. Another Fretilin member was captured alive after he gave himself up.

The two dead Fretilin members were Benjamin (30) and Julio (31), while the member, who gave himself up, is Apresio Miguel Soares.

Fretilin Group Attacks Security Post 21 May

BK2405080295 Jakarta GATRA in Indonesian 27 May 95 p 34

[FBIS Translated Excerpt] A volley of gunfire raged on a hill on the outskirts of Olabai Village, a subdistrict in Viqueque town, East Timor at about 0640 last Sunday [21 May]. Security Post II of the Viqueque Military District Command 1630 was attacked by a Fretilin [Revolutionary Front for an Independent East Timor] band. According to Gomes Fernando, a resident of Olabai Village, the gunfire lasted about four minutes, and calm later returned. "However, residents are afraid of leaving their houses," Gomes added.

The guerrillas managed to flee and left Private First Class Mathias Ormai da Silva wounded. The soldier died later. According to a GATRA source at the Headquarters of the Udayana Military Region Command in Denpasar, da Silva was alone at the post when the attackers came. Thus, he could do nothing although he tried to fight the attackers to the end.

A source in Dili believes that the attack was launched by the Asioux band, which frequently roams the jungle in Viqueque. The band is believed to have about 15 members. Threats posed by the band are considered meaningless. They had not provoked military posts for five years. "At most, they asked for food from residents," the GATRA source said.

Security Post II at Olabai Village is usually guarded by six personnel. First Sergeant Jacinto as the duty officer and four of his subordinates left the post and took their families for a morning mass apparently because they felt that the situation was peaceful. Mathius Ormai da Silva, a former civil defense reservist who had been recruited as a soldier, guarded the post.

Therefore, the Asioux band, which was believed to have eyed the military post for several days, got a chance. After da Silva collapsed, the guerrillas ransacked the military post. They took away two SP-2 rifles, three old G-3 rifles, and 240 rounds of ammunition as well as a number of military uniforms and medicines.

The military certainly did not stand idle and immediately pursued the guerrillas. Five platoons from the 406th Battalion under the Diponegoro Military Region Command, which are on duty in East Timor, were immediately mobilized for the pursuit. Three platoons were instructed to comb the hill to the northeast of Viqueque, while the other two platoons went westward. However, the outcome of the pursuit had not been unknown by the end of last week.

Colonel Kiki Syahnakri, commander of the Dili-based Wiradharma Military Area, said that the Fretilin now has no more than 176 guerrillas and about 105 pieces of weapons. They are divided into many groups — Cony Santana, alut, David Alex, Lere, Ernesto, Markonis, and Asioux. They have been further isolated because of difficulties in obtaining new weapons, ammunitions, and new members.

Articles View Impact of Yen Appreciation

Debt Payments Rise

95SE0127A Jakarta SUARA KARYA in Indonesian 6 Apr 95 pp 1,8

[FBIS Translated Text] In private talks last Tuesday [4 April] in Bonn President Suharto told German Chancellor Helmut Kohl about the recent difficulties experienced by Indonesia due to the appreciation in the exchange rate of the yen vis a vis the US dollar.

State Secretary Murdiono, who mentioned the talks between the two heads of government last Tuesday evening, said that the Chancellor was paying close attention to the difficulties Indonesia was experiencing due to the Yendaka.

The president said that 40 percent of Indonesia's foreign loans are in the form of yen. SUARA KARYA reporter Agustianto reported from Dresden that a drop of only one percent in the exchange rate of the dollar vis a vis the yen would cause Indonesia's debt payments in the form of yen to rise by 350 million dollars. If the drop is three percent, it would rise by one billion dollars.

That would require Indonesia to spend more rupiahs. "Taxes, which are collected with such difficulty, would be siphoned off to pay the debt, not through any fault of our own but due to external factors," said the head of state.

Kohl seemed to understand the problem and he promised that it would be discussed at the next UN meeting in Canada. "The increase in the exchange rate of the yen vis a vis the dollar will also have an impact on the exchange rate of the Deutchmark," said Kohl.

Kohl admires Indonesia's political and economic stability. Development can only move along smoothly if political stability is guaranteed.

High Level Conference of the Nonaligned Movement

On a separate occasion Roaming Ambassador and Chairman of the Executive Board of the Nonaligned Movement [NAM] Nana Sutresna, who accompanied the presidential group to Bonn last Tuesday, told reporters that it is certain that the position of chairmanship of the NAM now held by Indonesia will be given to Colombia at the Eleventh High Level Conference of the NAM to be held from October 17 to 20 in Cartagena.

Nana Sutresna explained that the Eleventh High Level Conference of the NAM will determine the direction which the NAM must follow in the next three years. The High Level Conference will be preceded by a Senior Officials Meeting (SOM) on October 14-15 and a ministerial level meeting on October 16.

As for the connection between President Suharto's visit to Germany and the interests of the NAM, Nana said that as an advanced nation Germany will listen to the problems of the NAM as voiced by President Suharto in the talks held between the two leaders.

He mentioned that Indonesia will present a report about what the NAM has accomplished under President Suharto's leadership. Nana explained that much of the work of the NAM has been carried out successfully by President Suharto. "The most prominent aspect of Indonesia's leadership is the creation of a consistent approach to solving various problems without abandoning the principles of the Nonaligned Movement. The NAM consistently attempts to hold firm to a dialogue for cooperative efforts on the basis of partnership and not confrontation.

As an example Nana Sutresna mentioned the efforts to support North-South relations which the president is attempting to bring about, as he did at the meeting with the Group of 7 (G-7) in Tokyo in 1993. Not only that, but the way in which he presented the problems faced by the developing nations was also done wisely. In the chess game of international politics and security the president, through the Nonaligned Nations Caucus in the UN, continues to take a constructive look at various problems which involve politics and security.

While he was chairman of the NAM, President Suharto created the institution of "special envoy," which will accommodate all of the problems faced by the members of the NAM. "It has turned out that the special envoys, who work behind the scenes without a lot of ballyhoo, have been able to help solve a number of problems in an effective way. In fact, they have even done so on some sensitive issues," said Nana.

Nana gave as an example the efforts of the NAM to take part in solving the nuclear controversy between North Korea and the United States and the UN. This institution of special envoys also helped Libya convey its viewpoint to Washington. The reverse is also true; it was possible for Washington to convey its viewpoints and positions to Libya.

As a manifestation of the success of all of those steps, the UN now pays more attention to the NAM. If it is about to take an important initiative now, the UN always listens to the views of the NAM first.

Although the five permanent member nations of the UN's Security Council have the veto power, said Nana, the reality is that they now first listen to and even seek the blessing of the NAM every time they issue a resolution.

Nana said that Indonesia, as chairman of the NAM, also strives to support trilateral South-South-North relations in an atmosphere of dialog and cooperation. Not only that, but Indonesia has also taken the initiative to get the 30 biggest debtor nations "to sit down together" in Jakarta and formulate realistic ways to solve their debt problems. "This initiative is continuing. For example, it has been discussed at G-7 High Level Conferences both in Tokyo and at the latest one in Naples," said Nana, adding that at the G-7 High Level Conference in Naples the president has appointed him to represent him.

Behind this there are still a number of problems which the NAM cannot solve during Indonesia's leadership, for example the effort to restructure the UN—not only in the sense of broadening its membership, but also in the way it makes decisions. The direction that the NAM would like to go in is for UN decisions to be made in the General Assembly, not in the Security Council. In that way, all nations would take part in every decision reached by the UN. Even if this cannot be achieved, the NAM would like Germany and Japan, as two of the world's economic powers, to be permanent members of the Security Council.

Support Voiced by Keidanren

95SE0127B Jakarta KOMPAS in Indonesian 19 Apr 95 p 11

[FBIS Translated Text] The Keidanren (Japan Federation of Economic Organizations) has responded positively to the difficulties being experienced by Indonesia due to the appreciation in the value of the yen vis a vis the dollar, about which President Suharto is concerned. Japan will, among other things, broaden its domestic market for products made in Indonesia and increase investment in Indonesia through the relocation of support industries.

These statements were made by Keidanren Chairman Shoichiro Toyoda, who together with two Keidanren members—Kenji Kawakatsu and Naohiko Kumagai—met President Suharto at Cendana Street on Tuesday (18 April). On that occasion the head of state was accompanied by Minister of Industry Tunky Ariwibowo.

"After listening to President Suharto's detailed description of Indonesian industry, we felt that there are still many opportunities for Japan, especially for the Keidanren, to help Indonesia," said Toyoda, who is also the head of the Toyota Motor Corporation.

He said that they discussed with President Suharto the problems of restructuring support industries so that they can develop further in Indonesia. He added that President Suharto expressed his concern about the negative impact of the yendaka. President Suharto even described ways to overcome the yendaka problem.

"We really are trying to open up an even wider market. In principle, it will develop in a balanced way. We will also increase trade with Indonesia," said Toyoda.

Toyoda, who said that he had met President Suharto two and a half years ago, believes that the Indonesian economy is developing very rapidly. He thinks that the Indonesian economy is in a very satisfactory condition. "We are amazed and very surprised. We also expressed our respects to him," said Toyoda.

Two and a half years ago, said Toyoda, Indonesia was carrying out a series of deregulations. There has been a lot of progress, and the more it continues the better it will be for Japanese investors to increase capital investments.

"And, if the infrastructure and other areas are improved, there will certainly be a good atmosphere for Japanese investors to make investments here," said Toyoda.

Toyoda said that at the meeting he asked for Indonesia's help in making a success of the APEC [Asia Pacific Economic Cooperation] economic ministers meeting in Osaka at the end of this year.

Timely Meeting

At the same time, Minister of Industry Tunky stated that he thinks that President Suharto's meeting with the Keidanren was held at the right time in order to increase Indonesian-Japanese economic relations, especially since the exchange rate of the yen has risen vis a vis the dollar.

Japanese industry, he said, has had long-standing problems due to the appreciation of the yen. But this time the rise in the value of the yen has created a lot of problems for Japanese industry. That is why this is a good moment for President Suharto to clarify the investment opportunities which are open to them here.

On that occasion President Suharto, said Tunky, also clarified major investment opportunities in the pulp and paper industries through the HTI (industrial crops forests) program, considering that Indonesia has vast forest reserves. The same is true for investment in the agroindustrial and maritime fields.

Tunky said that the president also touched on the problem of relocating industry, especially support industries whose products are still being imported into Indonesia in the automotive, machine and electronics fields. This is a great opportunity because Indonesia has made facilities, including industrial parks, available.

At a press conference held at the Jakarta Hilton Tuesday evening, Keidanren Chairman Toyoda emphasized that the Japanese government is also trying to solve the yendaka problem by increasing consumer demand for goods on the Japanese market. For that purpose other countries, including Indonesia, must help by exporting goods to the land of the cherry blossom.

Keidanren Chairman Toyoda suggested that Indonesia take advantage of Japanese trading company services to export goods abroad. These trade services already have a broad network throughout the world and can help exporters market their goods on the international market.

Toyoda is aware that the yendaka problem might cause difficulties for the Indonesian economy but he is convinced that the problems can be overcome since Indonesian economic growth has been good.

The Keidanren is an influential Japanese business group with more than 900 member corporations.

Stock Market Rebounds, Foreign Investors Active

95SE0130C Jakarta MERDEKA in Indonesian 29 Mar 95 p 4

[FBIS Translated Text] Jakarta, 28 Mar (MERDEKA)—A rebound in stock trading on the floor of the Jakarta

Stock Exchange began the second day of this week, making transactions strong again. At the same time, foreign investors became active again, primarily in buying "blue chip" stocks.

According to brokers from PT [Limited Company] Pentasena Arthasentosa, trade is improving again. "Stocks are getting stronger, primarily those that underwent a big correction some time ago," said Sumirat Sutawijaya. Stocks in the real estate sector that experienced a correction several days ago have begun to rise again.

Among the causes for yesterday's stronger trading was the fact that the value of the U.S. dollar had begun to rise again on international money markets. This situation caused Asian exchanges to be active again. Also, market conditions have undergone great correction during the last several weeks.

Foreign fund managers have begun to be active again in buying stocks. "Foreign fund managers have begun to buy stocks in anticipation of the meeting of the U.S. 'central bank' these three days," he said. Foreign investors are buying because they are optimistic that the market will improve again.

Prior to this, foreign investors were mostly selling, primarily "blue chip" and liquid stocks, to avoid greater losses. The renewed activity of foreign investors on the exchange has been followed by that of local investors.

Economic conditions in the United States indicate that the U.S. "central bank" will not raise interest rates. Foreign fund managers feel sure that the departure from "the Fed" of people who advocate higher interest rates makes the likelihood of a discount rate increase very small.

In yesterday's trading, more different stocks were traded than on the day before. There were transactions in 97 stocks, and 51 were stronger. There were corrections in 19, and the prices of 27 stocks were unchanged.

The stocks that dominated trading yesterday did not differ from those of previous days. The stocks of Dharmala Intiland, Putra Suraya Perkasa, and Dharmala Sakti Sejahtera were very active.

Stocks with the greatest increases were those of Hexindo Adiperkasa, up 20 points from 2,800 rupiah to 3,300 rupiah; Kalbe Farma, up 16 points from 8,150 rupiah to 8,550 rupiah; and Kabel Metal Indonesia, up 10 points from 3,200 rupiah to 3,450 rupiah.

The stock undergoing the greatest correction was Sona Topas, down 132 points from 7,100 rupiah to 3,800 rupiah. This stock experienced adjustment after announcing bonus shares. Panca Wiratama Sakti shares declined 28 points from 5,500 rupiah to 4,800 rupiah, and Sekar Laut shares were corrected another 18 points, from 1,500 rupiah to 1,050 rupiah.

Bimantara To List Stock on Jakarta Exchange

95SE0130D Jakarta MERDEKA in Indonesian 29 Mar 95 p 4

[FBIS Translated Text] Jakarta, 28 Mar (MERDEKA)—Holding company PT [Limited Company] Bimantara Citra (BC) plans to "go public" on the domestic capital market in June of this year by selling 20 percent of its stock, or 200 million shares. The underwriter will be PT Makindo.

"We are now conducting preparations and doing analysis on expansion plans," Rosano Barack, vice President of PT Bimantara Citra, said Tuesday, 28 March, in Jakarta.

He said the main purpose of going public is so that Bimantara will be more "transparent" and the public can have a part in enjoying the company's profits.

When asked whether any of the proceeds from going public will be used to repay debts, Rosano said that everything is still under analysis.

"It is as though we really do not have any debts, however," he said.

Meanwhile, A. Kadir Assegaf, director of Finance for PT Bimantara Citra, said that as a holding company it now owns 26 subsidiaries and is affiliated with several companies.

"After Bimantara Citra, there are plans for several subsidiaries to go public, too," he said, adding that he is now calculating which company can plunge quickly into the capital market.

A BC subsidiary listed on the Jakarta Stock Exchange (BEJ) is PT Plaza Indonesia, which owns Hotel Grand Hyatt. Tri Polyta, which is affiliated with BC, is listed on the NASDAQ in New York in the United States.

These plans, Kadir Assegaf continued, will naturally give attention to capital market conditions and other technical considerations that would be expected to support the company's success in going public.

He said the proceeds from going public will be about $150 million, or more than 330 billion rupiah, which will be 20 percent of existing stock.

"All of this is for no reason other than that the public may have a part in owning BC stock and enjoy the proceeds of our business in the form of dividends," he said.

Assets

Earlier, Kadir Assegaf had explained that BC's position in its subsidiaries in 1994 was 76.1 percent of a total "turnover" of 645 billion rupiah.

Last year, the contribution of the media and broadcasting division was 229 billion rupiah; the telecommunications division, 140 billion rupiah; and the transportation division, 122 billion rupiah.

From these three types of business, there was a net profit of 55 billion rupiah last year, which was more than the net profit of 52 billion rupiah in 1993. As a holding company, Bimantara Citra's assets are valued at about 1.286 trillion rupiah.

Bimantara Citra operates in seven main business sectors: media and broadcasting, telecommunications, infrastructure, transportation, chemicals, financial and investment services, and hotels and real estate.

Its media business, including television, is PT Rajawali Citra Televisi Indonesia (RCTI), while the telecommunications business is under the flag of PT Electrindo Nusantara.

In the transportation sector, it operates in the motor vehicle parts business, among other things. This business is under the management of PT Bimantara Cakra Nusa, and its aircraft leasing services are handled by PT Indonesia Air Transport.

Another subsidiary, PT Bimantara Kimia Citra, operates in the chemical products business and is under the control of Tri Polyta. PT Plaza Indonesia Realty is the owner of the five-star Grand Hyatt Hotel in Jakarta, and its insurance business is under the management of PT Citra International Underwriter and Bimantara Graha Insurance Brokers.

PT Bimantara Citra has 71 affiliated companies and 26 subsidiaries. Its subsidiaries include PT Aqualindo Mitra Industri, PT Bima Kimia Citra, PT Bimantara Cakra Nusa, PT Bimantara Graha Insurance Brokers, PT Cardig Air, PT Citra International Finance Investment, and PT Citra International Underwriter.

Others are PT Danapaints Indonesia, PT Duta Nusabina Lestari, PT Elektrindo Nusantara, PT Indonesia Air Transport, PT Jasa Angkasa Semesta, PT Multi Nitrotama Kimia, PT Nestle Indonesia, PT Nusadua Graha international, and PT Plaza Indonesia Realty.

Editorials on New Deregulation Package

BK2405125995

[FBIS Editorial Report] Two dailies, REPUBLIKA and SUARA KARYA carry editorials about the government's announcement of a deregulation package on 23 May.

Jakarta REPUBLIKA in Indonesian publishes on 24 May a 600-word editorial on page 6 entitled "Deregulation." REPUBLIKA notes that with the announcement of the new deregulation, "Indonesia has reduced import tariffs on 6,030 items out of a total of 9,398 items or an equivalent of 64.16 percent."

The editorial notes: "The new deregulation in the real sector, among other things, involves the reduction of import tariffs, which are now more than 20 percent. The tariffs will now be reduced to a maximum of 20 percent by 1998 and cut further to 10 percent by 2003. However, import tariffs and surcharges now at 20 percent or less will be gradually reduced to a maximum of 5 percent by the year 2003."

The editorial adds: "The new deregulation package is considered as very basic. It can be clearly seen that the government has made a sizable relaxation of tariffs in numerous sectors — either in the number of items or in terms of approval. This occurs, among other things, in the automotive sector."

REPUBLIKA also notes that "the country's vital sectors have simultaneously been given 'protection'. For example, protection is afforded to telecommunications, clean-drinking water industries, and rail services sectors. Despite such action and even with the desire to participate within the spirit of competitive free trade, protective barriers still exist within certain sectors that determine the people's destiny."

The editorial further adds: "Basically, and in line with previous deregulation and debureaucratization processes, the objective of the current deregulation package was to reduce protectionism, monopolies, oligopolies and monopsonies. Clearly, such an objective is an important step because the impact of such trade practices had not provided the people with any benefits or opportunities. Such practises would not only lead to a high-cost economy but would also make the local business sector incompetent when facing stiffer competition during the free trade era."

The REPUBLIKA editorial concludes: "Considering the speedy approach of the free trade era, there was a need to introduce a new deregulation and debureauctization package to further enhance the national economy. Thus, in this context, it is relevant to say that there was a need to seek an early deregulation process. Have not our numerous industries, which have "excessively" enjoyed protection, currently become incapable of facing external competition? Therefore, this current deregulation should be continuously supported by several other deregulation endeavors. Without such endeavors, the expected maximum impact from any deregulation package introduced will not be consummated."

Jakarta SUARA KARYA on 20 May publishes an 800-word editorial on page 5 entitled "The 95 May Package, Openness and People's Interest." SUARA KARYA says that "the deregulation and debureaucratization of the real sector was announced yesterday [23 May] in accordance with the promise made by Minister/State Secretary Murdiono two weeks ago."

The editorial notes: "The announcement of two separate timetables for the reduction of import tariffs in two stages and the removal of the trade order by the year 2003 is considered as a significant development toward creating openness among the business community. With the announcement of timetables, the business sector can begin making viable plans. Therefore, there is a guarantee that the business sector will definitely make efforts."

SUARA KARYA adds: "The reduction of import tariffs on edible cooking oil and the change in conditions for investment in the establishment of a cooking oil production industry apart from satisfying public interest was also considered as an trend toward eliminating monopolies. This was clearly observed in the reduction of import tariffs and surcharges on imported automobiles, which has all along been monopolized by two giant companies, Astra and Indomobil."

The editorial says: "The new deregulation and debureaucratization packages encompass reductions and changes in import tariffs and surcharges, the elimination of the trade order on imports of certain commodities and products, export entrepot, bonded areas, investments, approval and capital restructuring. The implementation of the new deregulation and debureaucratization will be implemented in stages until the year 2003, in accordance with the ASEAN agreement to implement free trade (AFTA) [ASEAN Free Trade Area]."

SUARA KARYA says that goods that have a negative impact on society such as alcoholic beverages will definitely be given a 170 percent import tariff and a further 100 percent surcharge.

The editorial notes that "looking from a wide perspective, it is clear that the new deregulation package was a planned program in anticipation of the implementation of the ASEAN Free Trade Area by the year 2003 as well as the Asia-Pacific free trade — the latter being agreed upon during the APEC [Asia-Pacific Economic Cooperation] Economic Ministers Meeting held in Bogor in November last year."

The SUARA KARYA editorial concludes: "We are confident that our industries and business community will be able to transform threats into opportunities and remain primed in facing the competition posed by external global markets with the government's readiness to render its assistance toward completing all unfinished preparations and strengthening the weak sectors."

Effect of New Minimum Wage on Business

95SE0128B Jakarta SUARA PEMBARUAN in Indonesian 13 Apr 95 p 8

[FBIS Translated Text] Jakarta—The new regional minimum wage (UMR) went into effect on 1 April. This means that on 1 May workers will receive the new wages ranging from 6 to 30 percent more than the previous wages.

The additional amount of money that must be paid out by manufacturers on 1 May will be quite large. Many manufacturers have declared their readiness to pay the new wages, but not a few have indirectly stated objections.

Increased Circulation

Most of those stating objections are labor-intensive manufacturers, such as in the textile and footwear sectors. Those that despite hardship have prepared for implementation of the new UMR should receive appreciation.

They are fully aware that the new wages mean higher incomes for workers and greater purchasing power for workers in the textile, textile product, and footwear sectors.

Greater worker purchasing power may stimulate business itself. For example, workers will be able to buy products other than basic necessities.

Seeing facts like these, it can easily be said that wages paid to workers will directly or indirectly come back to the manufacturers.

Possibly for this reason, Minister of Manpower Abdul Latief feels optimistic that manufacturers can implement the new UMR. "Just think: Wage increases for 30 million workers mean an additional 18 trillion rupiah in public circulation. This is certain to stimulate public buying power," he said. On one occasion, Minister Abdul Latief pointed out that while nationally the wage increase will be just 20 percent, in reality it will be only about 10 percent, because 9.25 percent was absorbed by inflation last year.

In the first three months of this year, inflation reached 3.04 percent. The government has proclaimed that inflation will not exceed 5 percent this year, thus remaining a single digit. If it exceeds 8 percent, it will cause concern although still a single digit, for real wages received by workers will decline. He said that because the government is consistent in its attitude toward workers, it hopes through the new UMR to encourage immediate improvement in the industrial structure and the cost structure. When improvement materializes, wages will no longer be restrained. What must be restrained is inefficiency, so that efficiency and productivity can be realized.

Unfair

It is indeed hard to ignore the fact that many manufacturers say they are burdened by a growing cost of production resulting from higher wages. In reality, however, manpower absorbs only 12 percent of the cost of production.

According to sources in the Central Executive Council of the All-Indonesia Labor Federation (SPSI), that figure is actually lower than the 20-percent cost of "collusion," which manufacturers also include in the cost of production. If looked at carefully, it does not seem fair that the high cost of collusion should be included in the cost of production, ultimately restraining worker income. On one occasion, Iskandar Mandji, member of Commission VI, also spotlighted the low wages received by workers.

He later stated that he did not agree with paying wages that are still at such a very low level especially because of collusion costs. If manufacturers implement the new UMR, worker wages will still be less than minimum physical necessity (KFM).

Picture it, he continued, citing an example: The UMR prior to 1 April was 97 percent of the KFM. When the new UMR goes into effect, it will be 107 percent of the KFM. The KFM used as a guideline is for a single worker.

What about workers with families? The KFM naturally must be adapted to the status of workers. Thus, the use of the KFM to measure the UMR must be adapted to the status of workers.

Iskandar Mandji also said that the average UMR now in effect nationally is 3,129 rupiah per day, or 447 rupiah per hour. In U.S. dollars, the average minimum wage for Indonesian workers is $0.21.

As projected in April, he said, the average minimum wage of 3,703 rupiah per day means an hourly wage of about $0.25. That fact illustrates how low worker wages are in Indonesia. "We will be consistent in supporting the government in its effort to improve the income of workers," he stated. "There are indeed wages of more than $0.40 per hour, but they are only on Batam Island. Wages on that island have now reached 6,750 rupiah per day.

"We would be very proud to be able to pay proper wages to workers," said a garment manufacturer belonging to the Indonesian Textiles Association, who did not want his name mentioned. However, he continued, when manufacturers are not yet able to pay proper wages, there is clearly an obstacle. Is it not true that there are many problems that have to be faced by manufacturers of textiles and textile products, both domestic and foreign?

Calculations show that there is no reason for manufacturers to postpone implementation of the UMR, because many people say that wages absorb only about 12 percent of production costs. Several textile and garment manufacturers recently interviewed in the Bandung area expressed their readiness to comply with implementation of the new UMR, which was promulgated in Ministerial Directive No. 398/1994.

Elisama, chief of personnel of PT [Limited Company] Leading Garment Industries; Sulaeman Daud, general manager of PT Hakatex; and Dahlan, general manager of PT Sumber Sandang, spoke on a common note when they said they had no objection to implementing the new UMR, although they will face quite a serious situation in the future.

According to Elisama, that serious situation will be the result of increasingly tight competition in the world garment trade and will be further intensified by shortages and higher prices of raw materials.

The burden on these manufacturers, he said, is a result of their having just adjusted to the payment of the 1994 UMR, which initially was 3,000 rupiah and became 3,800 rupiah per day (January 1994). Then, next April, manufacturers must pay a UMR of 4,600 rupiah per day. "Looking at the things that could happen, however, there is no way other than to follow government regulations," the chief of personnel said.

Sulaeman Daud said that another problem now needing consideration is the demands of workers whose wages have been greater than the UMR. Those workers ask for higher pay because their wages have become the same as those of new workers. Nevertheless, he added, all eventualities have been reckoned on. The important thing is that workers do their jobs and increase their productivity.

Dahlan said that the textile services business recently has also been faced with tight competition, marked by declines in orders received by textile factories. "Frankly, factories in operation since 1963 had a hard time in 1976 and have had a hard time from 1993-94 until now." According to several PEMBARUAN sources, there are some textile and garment manufacturers in West Java, generally small- and medium-scale, who have asked for postponement of UMR implementation. The reasons are not yet clear.

From the results of talks, it appears that small and medium-sized manufacturers in that area are ready for their first implementation. Subsequently, however, they will apparently watch developments in the textile products trade, both domestic and foreign.

They also say that if they experience difficulties in paying worker wages, the opportunity to transfer business to other sectors will be closed. Several manufacturers say it needs to be known that the numbers of workers they employ are not actually based on requirements but instead represent the responsibility of the manufacturers to their neighborhoods.

Because of that fact, it can be said that the higher UMR represents for manufacturers a dilemma that is hard to resolve. On the one hand, they want to bring to realization their commitment to the welfare of workers, while on the other hand there is the expanded cost of production caused by the high-cost economy. Another problem that is difficult to overcome is the battle of commodities on the international market. If only on the scale of a "tailor," there must be competitiveness. It is no longer a secret that the high-cost economy remains a bogey for manufacturers, who are increasingly required to be more efficient and to give constant attention to their workers.

On a separate occasion, Anton J. Supit, second chairman of the Indonesian Shoe Manufacturers Association (APRESINDO), said frankly that the high-cost economy and various regulations still bind manufacturers, always burdening them with a variety of additional costs. If the problems are not resolved, he said, they will have far-reaching impact in the form of weakened competitiveness of national products on an increasingly competitive international market. The footwear industry sector is quite large in its absorption of manpower. The approximately 356 factories founded in the years up to 1993 absorbed about a million workers, and in 1993 the value of their exports reached $1.66 billion.

Independence of Statistics Bureau Stressed

95SE0128A Jakarta KOMPAS in Indonesian
13 Apr 95 p 2

[Unsigned editorial]

[FBIS Translated Text] The statement of Sugito Suwito, chief of the Central Bureau of Statistics (BPS), that inflation may reach double digits apparently received reaction from several ministers. Sugito said that he was merely telephoned by several ministers and that he did not feel the telephone calls constituted pressure.

The BPS chief gave a seminar on "The Anatomy of Inflation and Its Connection With Devaluation" in Jakarta, and during his meeting with reporters on Monday, 10 April. Sugito explained the controvertial earlier statement, and said that last week's price increases on cement, paper, and lubricating oil will drive inflation into double digits, especially if everyone races to boost prices.

Several ministers then gave their reactions to the BPS estimates. Minister of Finance Mar'ie Muhammad, for one, said he was not confident that inflation in the current fiscal year can still be kept at less than two digits.

Contrary opinions on the estimating of inflation are natural because of the many factors linked to inflation. Moreover, perceptions of the various factors that affect inflation need not always be the same. On the one hand, a somewhat alarming escalation of inflation estimates can produce speculations and cause pessimism in the business field. On the other hand, the self-sufficiency of the statistics organization needs to be maintained so that the organization cannot be influenced. The BPS must continue to be objective, dependable, and trustworthy as an independent organization in its collection and calculation of statistical data.

Whatever approaches are used to monitor economic activity are for achieving prosperity and a better life. Prosperity has a very abstract meaning, however. Therefore, it needs to be spelled out and approached with specific means of measurement and demonstrated with economic indicators.

For that reason, indicators based on macroeconomic approaches are needed for measuring, or at least monitoring, the trends of national economic development. Thus, such indicators can be used to support empirical studies in the economic field. For this, the role of the BPS as a data collection organization is very important and definitive.

In order for these indicators to be collected and organized accurately and objectively according to the facts, the statistics organization must be truly self-sufficient and independent of influence from other agencies.

The BPS is a nondepartmental organization under and directly responsible to the president. The purpose of this is to guarantee that the organization will not depend on other government agencies in producing statistical data. The organizational structure of the BPS is based on Government Regulation Number 6 of 1980. The BPS is led by a chief, who is assisted by a vice-chief and two deputies.

The statistical system in Indonesia is organized on the basis of Statistics Law Number 7, which was drafted in 1960, and Government Regulation Number 6 of 1980 Regarding the Organization of the Central Statistics Bureau. According to that law, the duties of the BPS include responsibility for conducting statistical activities assigned by the government, such as in the fields of agriculture, agrarian matters, mining, industry, communications, trade, labor, finance, national income, education, and religion.

On behalf of the government, the BPS coordinates the statistical activities of all government agencies to prevent duplication of work by two or more agencies and to establish uniformity in the use of definitions, classifications, measurements, and other things. Clearly, another important thing is that the BPS try, through various census activities, to make the public aware of the purposes and uses of statistics in facilitating statistical research.

Through the several matters we have presented, we want to say that the BPS must be independent in collecting, organizing, and classifying data for drawing various conclusions. In this way, we will obtain a true and clear picture of what is occurring in our country so that we may evaluate the past and make projections for the future.

Philippines

Government To Improve Airport Security

BK2405023095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 23 May 95

[FBIS Translated Text] The Transportation Department has revealed it will step up airport security in compliance with the directive of the Federal Aviation Authority [FAA] of the United States. According to Secretary Jesus Garcia, even high-ranking or well-known individuals will be subjected to thorough body searches to make sure planes going overseas, particularly to the United States, are safe. Garcia also plans to purchase modern equipment to avert any danger brought by terrorists. Earlier, the U.S. aviation authority warned that it will not allow planes coming from the Philippines to land on U.S. soil if lax airport security continues. Garcia assured that they can meet the FAA deadline of the 4 August.

PRC Said Courting 'Isolation' Over Spratlys

BK2305121095 Manila MANILA STANDARD in English 20 May 95 p 28

[Report by Merlinda Manalo]

[FBIS Transcribed Excerpt] China is courting diplomatic isolation with its provocative acts and bellicose statements on the Spratlys, which the Philippines should adequately prepare for by beefing up its military presence in the disputed area, Sen. Blas Ople said yesterday.

"China's acts may invite diplomatic quarantine reminiscent of world reaction to the massacre of students and workers at Tiananmen Square some years ago," Ople, chairman of the Senate Foreign Relations Committee said.

Chinese ships near Mischief Shoal, which lies only 135 nautical miles from Palawan, tried to block a Philippine ship carrying foreign and local journalists on a tour of the potentially oil-rich Spratlys last Saturday.

China called the media tour a provocative act and warned that if the Philippines treads on "dangerous" directions, it must bear full responsibility for any serious consequences.

President Ramos belied China's claim and said the tour was planned long ago.

The United States, however, cautioned China against making a strong declaration and urged it to refrain from using force to settle the long-drawn dispute which also includes Taiwan, Vietnam, Malaysia, and Brunei.

'Trifles'

But a Chinese foreign ministry statement dismissed these statements as "mere trifles and deliberate exaggerations" that can be settled through talks.

Despite this reassurance, Ople said China continues to resort to bullying tactics, which should prompt the government to beef up military presence in the Kalayaan Islands of the Spratlys.

"We have already shown that we will not be cowed by bullying tactics, with the Armed Forces showing a readiness to repel illegal intrusions into our national territory in the South China Sea," Ople said.

"The next move would be to return military presence in the Kalayaan to its previous levels in 1985 and conduct continuous patrol activities to ensure the ecological protection of the area," he added.

Ople noted that the drastic reduction of military presence in the area has encouraged poachers and other intruders. The latest incident involved the arrest of Chinese fishermen near Bataan and Palawan caught by the Philippine Navy with illegal fishing devices and endangered species on board their boats nearly two months ago.

Ople said the other claimants should initiate moves to bring the issue before the International Court of Justice for final arbitration, a recourse strongly opposed by China since it would "internationalize" the issue.

"I am confident the Philippines will uphold its claim before the international tribunal since it possesses all the qualifications for claiming Kalayaan as part of the country's sovereign territory.

Government Lifts Trade Restrictions on PRC

BK2405022895 Manila PHILIPPINE DAILY INQUIRER in English 20 May 95 pp 1, 9

[Report by Lynda T. Jumilla]

[FBIS Transcribed Excerpt] The Philippines has lifted trade restrictions on China, apparently to show that all is well between the two countries despite their seething diplomatic tiff over the Spratlys.

In an executive order dated 12 May 1995, President Ramos ordered that China be deleted from the list of "socialist and other centrally planned economy countries" covered by a 19-year-old edict issued by the late President Ferdinand Marcos.

Executive Order No. 244 is expected to result in "further opening up of trade relations and enhanced trade" which the president hopes to reach $1 billion by the end of 1995.

The lifting of the trade barrier came a few days after a Philippine Navy vessel carrying Filipino and foreign journalists was stopped by Chinese fishing vessels backed by warships of the Chinese Navy.

"Market forces now play a determining role in the economy of China, making it one of the most vibrant in the world today," said Mr. Ramos in issuing the order.

"In fact, it has already applied for accession to the World Trade Organization," he noted.

On this basis, Mr. Ramos said, Letter of Instruction [LOI] 444 issued in 1976 by Marcos was "no longer consistent with (Philippine) interest."

The president, whose administration espouses a policy of "economic diplomacy," said China's deletion from the restricted list was in response to the Philippines' need to expand trade with all countries "including and especially the PROC [People's Republic of China]."

Letter of Instruction No. 444 dated 9 August 1976 lays down guidelines on trade with socialist and other centrally planned economies.

It prohibits importation of raw materials, machinery and equipment for industries indicated in the so-called Overcrowded Industries List of the investment coordinating committee.

LOI 444 also states that trade, direct or indirect and including the processing and approval of applications, between the Philippines and the countries in the list should be coursed through the Philippines International Trading Corp.

Manila and Beijing are in the midst of a territorial row over the Spratlys, a chain of South China Sea islands believed to be resource-rich and being claimed by six countries.

The squabble began when the Chinese military occupied early this year Panganiban Reef (also known as Mischief Reef), of the Kalayaan Island Group, a portion of the Spratlys being claimed by the Philippines.

The feud has escalated into an exchange of veiled threats between the two countries, even as officials sought to defuse the tension through negotiations.

Ramos: 'Working' To Restore Singapore Ties

BK2405111895 Hong Kong AFP in English 1108 GMT 24 May 95

[FBIS Transcribed Text] Manila, May 24 (AFP) — President Fidel Ramos said Wednesday the Philippines was "working" to restore full diplomatic relations with Singapore, damaged by the execution of a Filipina maid in the city-state.

Asked about restoring ties, Ramos told AFP, "we are working on it." But the question of whether the maid, Flor Contemplacion, was unjustly executed, remains unresolved.

Contemplacion was executed in Singapore on March 17 for the 1991 murder of Delia Maga, another Filipina, and a four-year-old Singapore boy looked after by Maga. Many Filipinos insist she was innocent and the public outcry forced Ramos to downgrade ties with Singapore. Both countries recalled their ambassadors.

Ramos said the Philippines and Singapore were still looking for a neutral third party to conduct an autopsy on Maga's remains, to settle the issue. But he did not say whether normalization of relations was linked to this.

Ramos said in March that if it was proved Contemplacion was unjustly executed, he would cut ties with Singapore. However, he later apparently moved away from this.

Philippine government pathologists said Maga's remains showed she was killed by a man but Singaporean experts stuck to their original report that evidence showed Contemplacion was the killer.

A joint autopsy on Maga's remains failed to settle the issue. The two countries later agreed to have a third party do the autopsy but the US government has turned down requests to get involved.

Appeals for Release of Communist Rebel Rejected

BK2305045995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 22 May 95

[FBIS Translated Text] The government has rejected a Communist Party of the Philippines [CPP] request to release the NPA [New People's Army] leader who was recently arrested. According to peace negotiator Howard Dee, Sotero Llamas was not covered by a safety and immunity guarantee because his name was not included in the list of active CPP members participating in the peace talks. Dee added the court will decide on the release of Llamas. The NPA leader had five warrants of arrest. Dee likewise expressed belief that the position of the CPP and the National Democratic Front on the peace talks does not solely rest on only one member.

Thailand

Military Official Welcomes Exercise With U.S.

BK2405093495 Bangkok SIAM RAT in Thai 24 May 95 p 8

[Report: "What Have People Gained From the Military Exercise Cobra Gold 95"]

[FBIS Translated Text] Cobra Gold 95, a joint and combined military exercise between the Thai and Hawaii-based U.S. Pacific forces will conclude on 24 May.

Some 17,000 U.S. soldiers and modern weapons, including the aircraft carrier USS Independence, which carries some 5,000 crewmen and 67 aircraft, will have been based in eastern and northeastern Thailand for nearly a full month.

Lieutenant General Phairot Nutchaya, director of the Supreme Command's Operations Department and director of the Cobra Gold 95 military exercise, talked with SIAM RAT on the need for the exercise and the benefits Thailand gains from it.

Cobra Gold 95 is a joint, combined military exercise. By joint exercise, it means the Thai and U.S. Armies, Navies, and Air Forces train together. Combined exercise means training with the combined forces of both countries. Combined exercises are held frequently, such as the combined exercises with Australian, Singapore, and Malaysian forces.

Asked about the necessity for the current combined exercise, Phairot explained that there are four strategies for an exercise. The first strategy concerns deterrence. Thailand is surrounded by neighboring countries in different situations. Having an ally taking part in a combined military exercise causes the neighbors to think about doing something that might have an impact on our security. The second strategy is joint defense. Our country has limited resources and, therefore, it is necessary to have an ally to supply us with the items we are short of. So far, we have regularly asked for assistance, particularly from the United States. The Manila Treaty, or the "Thanat-Rusk Treaty" is still valid.

The third strategy is the comprehensive defense strategy which mobilizes national paramilitary, regular, and local forces that also include the Interior Ministry's Volunteer Defense Corps, ranger volunteers, Police Special Operation Units, village scouts, and local defense volunteers.

The fourth strategy involves frontline defense — all-out defense of the border. This strategy guarantees the country's security. National security is something that may not be tangible in peace time. The local people benefit economically from Cobra Gold 95: in addition to spending by some 17,000 U.S. soldiers, there is also spending by visiting senior foreign officials and foreign journalists. People in the exercise area also get school buildings, water wells, and ten other projects as well as 24 health projects. The overall financial value may not be that great, but the relationship forged between the peoples of the two countries is quite unforgettable, as exemplified in the impressive pictures that have been taken of U.S. soldiers paying respect to monks and Thai elders.

Another area is the knowledge gained by our soldiers of modern U.S. weapons. It broadens their understanding and can contribute to future military assistance.

Phairot proudly assured the people that although Thailand is the smaller country and is inferior in terms of weapons, U.S. soldiers treated their Thai counterparts honorably and cordially. Thai soldiers supervised and issued orders in the exercise and U.S. soldiers were their deputies. There have been no instances of Thailand's honor being jeopardized. On the contrary, the superpower sees that Thai soldiers have reliable tactical capabilities.

Many countries sought without success to host Cobra Gold 95.

Cobra Gold 95 has concluded, and the stable Thai-U.S. alliance continues.

Authorities To Move Karen Refugees to New Camp

BK2005102595 Bangkok BANGKOK POST in English 20 May 95 p 6

[FBIS Transcribed Text] Mae Hong Son — The provincial authority plans to move 30,000 Karen refugees to Ban Mae Mala Luang in Sop Moei district, Governor Somchet Wiriyadamrong said yesterday.

Speaking after a meeting with military, police and civilian officials dealing with national security, Governor Somchet said it was agreed that Karen refugees will be moved from camps scattered along Thai border to a new shelter at Ban Mae Mala Luang.

The site covers 1,200 rai and is sufficient to house a large number of refugees, he said.

Thai authorities will be in a position to take care of and ensure security for the refugees more easily if they are all in a single controllable spot, he said.

If the Karen refugees remained scattered, they would risk attack from Burmese forces or the Democratic Karen Buddhist Army (DKBA), he said.

The relocation plan has been forwarded to the Interior Ministry.

Ban Mae Mala Luang is regarded as a temporary shelter for refugees, not a refugee camp, he said.

The private sector and foreign non-governmental organizations will provide financial support to the refugees while Thai authorities will handle security and supply medical services.

Mr Somchet said the United Nations High Commissioner for Refugees [UNHCR] may not get involved in the move on the grounds that Thailand did not officially announce the shelter as a refugee camp.

According to the principles of the UNHCR, it will get involved in refugee affairs only if a refugee camp is set up.

Asked what measures will be taken to deal with a number of Karen refugees continually fleeing to Mae Sariang and Sop Mei districts of Mae Hong Son, Governor Somchet said the Government has mapped out a repatriation plan if the situation in Burma returns to normal.

Cabinet Finalizing Tariff Reduction List

BK2405041395 Bangkok BUSINESS DAY in English 24 May 95 p 1

[FBIS Transcribed Text] The Cabinet will finalize a list of imports on which it plans to reduce tariffs before the next meeting of the World Trade Organization (WTO) on June 7 in Geneva, Aran Thammano, permanent secretary to the Finance Ministry, said.

The list, which forms part of the country's drive for financial liberalization, will be completed well before a General Agreement on Trade and Tariffs (Gatt) deadline for tariff reductions is reached, on June 15, Mr. Aran said.

He added that the list would follow the aims of the country's financial master plan. Other liberalization issues would go forward for negotiation with the WTO, he said, adding they were outside the framework of the master plan. Mr. Aran refused to reveal Thailand's hand in negotiations by revealing the issues up for discussion.

A Finance Ministry source, however, said the main issue to be hammered out later was limits on foreign shareholding in financial institutions. Foreign investors are currently allowed 25 and 49 percent holdings in finance and securities companies, respectively.

The setting up of Thai Trust Fund — which allows foreigners a 100 percent stake without the right to vote — was seen as a step forward to liberalization. A ministerial regulation to govern the fund was scheduled to be placed before the Cabinet, but has now been on hold following the House dissolution.

"But the issue is of uppermost importance. Therefore Finance Minister Tharin Nimmanhemin will seek the Cabinet's approval on it next week," the source said.

Bank Governor Defends High Interest Rates

BK2305065595 Bangkok BUSINESS DAY in English 23 May 95 p 1

[FBIS Transcribed Text] Bank of Thailand Governor Wichit Suphinit yesterday said interest rates of 12-13 percent were high, but compatible with both the push for long-term economic stability and current market conditions.

Mr. Wichit expressed his faith in the central bank's measures to encourage investment in key sectors of the economy and to reduce Thailand's current account deficit.

The Governor's optimism, however contrasted with a less upbeat view from one of his senior officials who predicted inflation above the bank's expectations may pressure a further rise in interest rates to keep growth on an even keel.

Mr. Wichit said foreign exchange has stabilized, and fiscal and monetary conditions of the country have returned to normal after a turbulent first quarter.

The Bank of Thailand, he said, had increased restrictions on minimum lending for funds entering Thailand from $500,000 to $2 million, to ensure loans go to sizable businesses with real investment potential. The measure also prevented small borrowers from using Bangkok International Banking Facility funds for speculation.

Mr. Wichit said this policy focus would help reduce Thailand's current account deficit, by promoting investment and growth in exports. He added that the bank intended to provide further incentives for foreign investors to make up the shortfall in capital resulting from the current account deficit.

One of Mr. Wichit's senior officials, Thanasak Chantharovat, deputy director of the Bank of Thailand's banking department, said rising commodity prices show few signs of abating.

He implied that an increase in interest rates charged by commercial banks may be needed to cool the economy.

Mr. Thanasak foresaw an increase in the inflow of foreign funds since a spread between local and overseas interest rates as high as 6 percent offered attractive returns.

Meanwhile, bankers at Siam Commercial Bank and Thai Farmers Bank voiced disagreement with the central bank's high interest rates, arguing that at current levels they were already too high.

Cabinet Decides on New Mass Transit Project

BK2405034995 Bangkok THE NATION in English 24 May 95 pp A1,A3

[FBIS Transcribed Text] The caretaker Cabinet yesterday made a long-overdue decision to scrap the stalled Bangkok Land Plc bid to build another electric train system for the capital and opt for a new investment plan which appears more viable.

The method consists of the government providing the infrastructure for private companies to begin construction of the much-needed mass transit service, including a 11.5 km underground section of the mass transit project.

A budget of [baht] Bt16.5 billion will be set aside by the Finance Ministry to be disbursed between the 1996 and 2000 fiscal years, the Cabinet decided yesterday.

The Finance Ministry will also borrow a further Bt43 billion to finance the project. The first phase of the project will run from Hua Lamphong to Bang Sue, a total of 21.3 kilometres.

Acting Prime Minister Chuan Likphai said yesterday's decision was in the country's best interests after the project has been delayed for more than two years.

The delay could partly be put down to the indecisiveness of the four deputy prime ministers under the Chuan Five Cabinet who were assigned to oversee the project, acting government spokesman Akkhaphon Sorasuchat said.

It was this lack of decisiveness that diminished hopes the project would help ease the capital's traffic woes.

The Metropolitan Rapid Transit Authority (MRTA) project is one of the three mass transit projects slated for Bangkok. The other two are the Bangkok Transit System Co's construction of the city's first skytrain system which began a few months ago, and the Hopewell project, the implementation of which remains uncertain.

Chuan said the government will be responsible for 80 per cent of the Bt53 billion budget needed to implement the MRTA project. The government expects to recuperate that outlay once the system is operational and begins to earn revenue.

According to yesterday's decision, the government will invest in land expropriation, railway tracks and other required infrastructure. The private sector will then be asked to provide trains and other equipment to run the service as a joint venture with the government.

The MRTA will brief the Cabinet on the guidelines of the implementation of the project using the new funding method on May 29. Originally the programme was to be fully funded by a private sector concessionaire in a decision made in late 1993.

Under the joint venture funding approach, the MRTA will select contractors to build the infrastructure on a turn-key basis and set up a state company to manage it. A five-year contract will be awarded to established companies to run the train service, to be later privatized.

Estimates put the breakdown of the budget into three categories: civil work, Bt37 billion; the electrical system, Bt13 billion; and interest, Bt9.2 billion.

Chuan said the MRTA has proposed four bidding options for the Cabinet to consider:

Invite all three bidders (Bangkok Land, Thanachat Holding and Thanayong Plc) to submit proposals for the construction of the underground section of the project, separate from the first bid;
Call for new proposals for the entire project;
Call for new bids from all interested companies;
Scrap all bids and allow the MRTA to implement the project.

Chuan said he told all officials concerned that yesterday's decision must be implemented.

"There's no time left. We can't afford to go back to square one again," he said.

Editorial on Ground Rules for 'Mega-Projects'

BK2405063095 Bangkok THE NATION in English 24 May 95 p A4

[Editorial: "Mega Projects: Quick Rules How Not To Go Wrong"]

[FBIS Transcribed Text] It is common knowledge that mega-projects in this country have been mismanaged, so we can get to the point straight away: if the new government is to make progress on mega-projects — from expressways to mass transit systems and other aviation and energy projects — there are basic rules of thumb that should be followed.

First and foremost, former ministers who started us off on the wrong foot must not be reappointed. They include former transport and communications minister Montri Phongphanit, who initiated the Don Muang Tollway and the Hopewell projects, both of which have been stalled because of legal complexities due to a lack of proper planning.

He also approved TelecomAsia Corp's two-miilion-telephone-line project without properly examining the future role of the Telephone Organization of Thailand.

At the same time, one should be wary if Nam Thai Party leader Dr. Amnuai Wirawan is to take charge of mass transit projects. Amnuai tried to privatize the Metropolitan Rapid Transit Authority, but that proved disastrous because it only led to more delays. The government subsequently decided the public sector should first invest in mass transit projects to get them off the ground before bringing in the private sector. This is the way to go.

Public Transport

Another one who should not be brought back into the public transport arena is former deputy prime minister Bunchu Rotchanasathian. He achieved little with regard to providing long-term solutions to the traffic crisis in Bangkok. He also made a mess of privatizing Thai Maritime Navigation.

Second, the new government should not change the mass transit development plans and traffic plans worked out by the Chuan administration. There are many afloat now, including the park-and-ride restrictive zoning scheme, and it is important that the new leaders ensure they are carried out effectively and quickly. There is no need for bold new initiatives.

Third, the new prime minister must closely supervise mega-projects because their completion is vital to the country's development and to foreign investors looking for a level playing field. These include management of the new international airport at Nong Ngu Hao, where the Chuan government rightly decided to form a holding company, with the Airports Authority of Thailand and the Finance Ministry as shareholders prior to privatization.

Another closely watched scenario is the bidding on a private power supply under the independent power producers, for which tenders must be submitted by June 30, two days before the election. The investment is so huge that a great deal of local and international lobbying is anticipated.

Self-Serving Agenda

Last but not least, the new prime minister must by all means ensure that clean, non-corruptible and competent politicians take up the transport and communications portfolio. The temptation to accept kickbacks in this sector is enormous, so the person in charge must be of an impeccable character who puts the welfare of the country first. Earlier lessons must be learned: corrupt politicians who had a hand in this ministry in the past have set the country back years with their ridiculous rationale and self-serving agendas.

The severe infrastructural problems plaguing the country now can be largely attributed to Chuan's indecision. Anywhere else, such a prime minister would have been ousted a long time ago, but in Thailand he was tolerated and urbanites suffered in silence.

Chuan's hands-off style of management should not be copied by the new premier, and if Chuan returns to office, we earnestly hope he will change his leadership style and be willing to take the bul! by the horns.

Resignations of Cabinet Ministers Announced

BK2405065595 Bangkok Radio Thailand Network in Thai 0530 GMT 24 May 95

["Announcement" issued by the Prime Minister's Office on 22 May]

[FBIS Translated Text] Major General Chamlong Simuang, deputy prime minister; Phimpha Chanprasong, minister of the Prime Minister's Office; Vice Admiral Rot Wiphatphumiprathet, deputy defense minister; Krasae Chanawong, foreign minister; Samut Mongkhonkitti, deputy agriculture and cooperatives minister; Wichit Suraphongchai, communications minister; Sudarat Keyuraphan, deputy communications minister; Udon Tantisunthon, deputy interior minister; Sarit Santimethanidon, deputy education minister; Thinnawat Marukkhaphithat, deputy public health minister; and Thawin Phraison, state university bureau minister, submitted their resignations from their respective cabinet posts on 19 May 1995. Thus, the ministerial posts of Major General Chamlong Simuang, Phimpha Chanprasong, Vice Admiral Rot Wiphatphumiprathet, Krasae Chanawong, Samut Mongkhonkitti, Wichit Suraphongchai, Sudarat Keyuraphan, Udon Tantisunthon, Sarit Santimethanidon, Thinnawat Marukkhaphithat, and Thawin Phraison have been terminated as of 19 May 1995 in compliance with Article 173 (2) of the Constitution of the Kingdom of Thailand, amended by the fifth Constitution Amendment of 1995.

Signed by Prime Minister Chuan Likphai

Announced on 22 May 1995

Vietnam

Recovery of Possible MIA Remains Announced

BK2405103495 Hanoi Voice of Vietnam in English 1000 GMT 24 May 95

[FBIS Transcribed Text] Joint U.S.-Vietnamese teams have found human remains during the latest field search for traces of servicemen missing from the Vietnam war. U.S. officials announced details as the operation ended on Tuesday. Vietnamese villagers also handed in some human remains during a month-long search. A number of remains believed to be of Americans — which will be sent back for forensic examination at military laboratory in Hawaii — will only be known after the U.S. and Vietnamese officials examine the bone fragments.

The search was the 35th in a series that started in 1988. U.S. experts sent 57 sets of remains back for analysis last year and have repatriated another 16 sets so far this year.

U.S. Human Rights Standards Criticized

BK2405120695 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 23 May 95

["Essay" by editor Nguyen Tien Binh from the "International Topic" program]

[FBIS Translated Text] Dear comrades and friends: Human rights are a sacred desire as portrayed throughout mankind's history. Struggling for human rights and for the development and refinement of human rights are inherent principles in the process of human and social evolution. In view of the current situation, human rights have become one of the central issues of the class and racial struggle. They have become particularly acute and complex in the ideological and theoretical domain.

One may notice that the United States and the West, which pose as human rights champions, want to impose their human rights standards on developing countries. The two fundamental issues the United States wants to emphasize are human rights and a free market. To the United States, the image of a new world order must be built on this basis. This ambition has been reflected in the many bills passed by the U.S. Congress since 1961. The United States has also set up many organs in charge of human rights under the direct jurisdiction of the U.S. Government and Congress; deployed many plans to undertake democracy and human rights in the world based on U.S. concepts; and set up funds to finance these plans.

At an international human rights conference held by the United Nations in Vienna in June 1993, the United States and the West called for the creation of the post of UN High Commissioner for Human Rights and the international tribunal on human rights to use the human rights issue as a means of interfering in the internal affairs of developing countries and to pressure these countries into pursuing the goals that are set up and manipulated by the United States. Yet, this U.S. ambition faced fierce protests from developing countries. Many statesmen and leaders of developing countries flatly declared that they did not accept the U.S. standards on human rights. Why?

It should be pointed out that this is due mainly to the fact that the United States and Western capitalism are not the models of human rights. How can there be genuine human rights in these capitalist societies at a time when ever-deeper social divisions have created increasingly grave disparity?

Affluent capitalists make up 20 percent of the U.S. population and they account for 82.7 percent of the country's total turnover. Whereas, the turnover of the remaining 80 per cent of the poor population constitutes merely 1.4 percent of the country's total. In the United States, billionaires account for one percent of the population; perennial jobless workers for 10 percent; and people living below the poverty-line for 20-30 percent. Of the 435 members of the U.S. House of Representatives and 100 members of the U.S. Senate, none of them are representatives of workers nor do they come from any strata of the laboring people. Therefore, there is no basis on which the laboring people's rights to engage in state and social management can be practically guaranteed in accordance with their definition. Perhaps, it is because of their awareness of the irregularities and the unsurmountable constraints of capitalist human rights that the laboring people have been indifferent toward various elections and toward those merely formal electoral rights of their capitalist society.

It is also reported that even in U.S. society, human rights violations have also taken place and they can hardly be concealed. On the other hand, in international relations, the United States and Western capitalism do not have any real respect for the human rights of developing countries, for they are trying to exploit these countries for money — earning some $500 billion a year or six times the amount of money needed by these countries for priority areas such as basic education, health care, clean water, and malnutrition control.

Developing countries have also had to remain constantly vigilant against the two traps in their relations with the United States and Western capitalism. The first trap is the granting of aid under the signboard of transferring suitable technologies. This is nothing but to dump obsolete technologies onto developing countries. The second is the issuing of tickets for joining Western civilization for those outstanding scientists who have a low living standard, because the working conditions at home are still fraught with difficulties; this leads to the danger of brain drain.

More than that, the United States and Western capitalism have also arrogantly interfered in the internal affairs of developing countries, including militarily interference. The U.S. military presence — amounting to nearly 2.1 million troops — in various countries in the world has served as a constant deterrent force and also a standby force to make direct interventions. The United States is also the world's largest country in the trading and export of weapons. In 1993, the United States earned 14.8 billion from the arms trade or 73 percent of the world's arms trade market. It can be said that the foreign policy of the United States and Western capitalism of using force is an important reason for a starving Africa, a poor Asia, and a debt-ridden Latin America, which many bourgeois scholars have written about. This foreign policy gravely violates the right to live in peace, independence, freedom, happiness, with each nation being equal in the community of nations and in international relations — a basic goal of human rights, which developing countries are constantly struggling to affirm and translate into everyday life. So, how can developing countries accept the U.S. standards of human rights?

U.S. standards of human rights, as collectively reflected in 10 articles in the first part of the law on the amendment of the U.S. Constitution, mainly uphold the citizenry and political rights and basically ignore economic, cultural, and social rights. The United States and the West put their one-sided emphasis on the universal human nature of human rights, while negating the special character of human rights under specific historical circumstances, so as to support their argument that human rights protection is a common goal of the world, for which they play the role as chevaliers with the aim of defending their schemes and tricks of intervention against other countries under the human rights signboard. Meanwhile, to developing countries, the most pressing issue of human rights at present is precisely the right to live and to carry out economic, cultural, and social development on the basis of genuine independence and sovereignty.

To have human rights, we must first have sovereignty as we must evoke sovereignty and rely on it to exercise and protect human rights. We must not be gullible and mistakenly believe in the argument that human rights are higher than sovereignty, an argument that the United States and Western capitalism are trying to propagate and for which opportunists and revisionists are trying to chime in and cheer. When a people are enslaved and a country is deprived of its sovereignty, there can be no genuine freedom, happiness, and equality for human beings.

Developing countries have admitted that human rights contain many values of a universal character, but they have stressed that the specific character of human rights must depend on specific historical conditions for each country and people concerned. The propagation and exercise of human rights within the scope of a country are the responsibility of each country concerned and it is impossible to apishly copy the standards of human rights of one country or impose it on others. This is a correct concept about human rights. The realities of life are attesting to this fact.

Profoundly aware of the consequences of the imposition of the U.S. and Western capitalist standards on African countries, Kenyan President Daniel T. Arap Moi publicly declared that the imposition of Western democracy has resulted in a host of tragedies in various African countries such as bloodshed, hatred, and division. Faced with this fact, how can developing countries accept U.S. human rights standards?

During the process of the struggle for human rights, developing countries are becoming increasingly aware that the United States does not hold any real respect for human rights but rather exploits the human rights issue to implement its foreign policy of force. So far, the United States has yet to recognize a number of important conventions on human rights already passed by the United Nations such as the 1965 International Convention on the Eradication of Racial Discriminations; the 1966 International Convention on Economic, Social, and Cultural Rights; the 1973 International Convention on the Prohibition of and Sanctions Against Racial Discrimination; the 1980 International Convention on Discarding All Forms of Discrimination Against Women, etc.

At an international conference held in Malaysia in early December 1994 to discuss the theme of Some Reflection about Human Rights, delegates from 60 countries unanimously agreed that the imposition by the United States and the West of their own human rights and democratic concepts on developing countries amounts to exercising colonialism under another form. The conference also pointed out the need to struggle against the political policy of force in the human rights issue so as to guarantee that developing countries can exercise their right for economic, cultural, and social development as independent and sovereign countries.

Developing countries are right when they decide not to accept the U.S. and Western human rights standards. This is a must for national stabilization and development. This also makes us more alert to and profoundly aware of the nature of capitalist human rights concepts in the contemporary capitalist world. We cannot sympathize with those who still naively and unrealistically believe in the U.S.-style freedom, democracy, and human rights standards and who, even worse, are praising these standards and promoting the philosophy about invidualizing the current lifestyle.

The point is that the refugee issue is constituting a real difficulty for developing countries. The profound origin of this difficulty lies in the unequal competition between these countries on one side and the United States and Western capitalism on the other. Each year, there are many as 70 million refugees fleeing developing countries for different reasons. We should not dismiss this in a subjective fashion as human rights violations. For many developing countries, the amount of money refugees send home through refugee accounts are a remarkable source of income. However, the immigration policy of developed industrialized countries has also caused great losses to developing countries, particularly the loss of a contingent of highly-skilled workers, scientists, and experts, whose training cost developing countries hundreds of billions of dollars. This fact enables us to further understand the many difficulties now facing developing countries in their struggle for survival and development.

Dear comrades and friends, through the above discussion, we may find that developing countries acted correctly when they refused to accept the U.S. and Western human rights standards. However, against the background of the current demanding and complex class and national struggle, we should never forget an objective truth of our era, that is, human rights with its genuine human and progressive character must be linked with the process of socialist development. If the working class, various strata of the laboring people, and the oppressed nations really want to extricate themselves from a state of declination and to enjoy genuine human rights, they should not just wait for the mercy of the capitalist class nor should they place any hope in miraculous and supernatural forces. Instead, they must positively involve themselves in the struggle to liberate the class, the nation, and the entire society from socioeconomic attachments to the capitalist world.

We must effect a social change from capitalism to socialism and communism. Struggling for the success of socialism is tantamount to struggling for the right to live in peace, independence, freedom, happiness, and for the equality of each individual in society and of each nation in the community of nations as well as in international relations. This is the core of our human right standards and our human rights ideal.

Foreign Investment in Agriculture Promoted

BK2405111095 Hanoi VIETNAM INVESTMENT REVIEW in English 8-14 May 95 pp 1, 7

[Report by Cong Thanh and Nguyen Ngoc Chinh — first two paragraphs are VIETNAM INVESTMENT REVIEW introduction]

[FBIS Transcribed Excerpt] A proposal on the prime minister's [PM's] desk to slash rural land rents to as little as $5 a hectare per year comes a month after the PM himself signed a controversial decree halting projects that convert rice-land to non-agricultural use.

As foreign investment approvals climb, leaders are clearly concerned that the rapid industrialisation sparked by cash from abroad may threaten the country's greatest security: the ability to feed itself.

Vietnam's top investment and agriculture bodies have drafted a plan offering tax exemptions and cut-rate land rent to the agriculture sector in a bid to woo foreign capital.

The minister of agriculture spoke in support of the plan last week, saying that Vietnam has no coherent plan for attracting foreign investors into agriculture, and calling the country's taxation policies and land lease prices "unpredictable" and a deterrent to investment.

Nguyen Cong Tan, head of the Ministry of Agriculture and Food Industry (MAFI) called for Vietnam to introduce fast and efficient investment procedures to attract foreign cash into underfunded agriculture, forestry, and fishery projects.

The State Committee for Cooperation and Investment (SCCI) and MAFI submitted the draft proposal to the prime minister for approval.

Five billion dollar will be needed over the next five years to develop the sector, Tan said recently.

As much as one-fifth of capital is projected to come from abroad.

To reach the agriculture sector's target of a four percent annual growth rate and eight million new jobs, $5 billion of investment capital is needed by the year 2000, particularly in agricultural science and technology, Tan said.

He called overseas investment the key to growth.

But until the latest push there has been little foreign interest in agriculture due to the high risks and low profits involved.

The SCCI and MAFI have highlighted the need for preferential policies, tax breaks and an easing of investment procedures for overseas companies. The draft proposes major land rent cuts for projects on barren land and acidic and saline soil, and on deforested hills. At present, land lease in these areas ranges from $30 to $150 per hectare per year: the draft recommends a rate of $5 per hectare per year.

Tan said the current rate is too high, particularly in remote areas such as the central highlands and the mountainous north, where roads are poor and transport is difficult.

The draft proposes that projects to grow industrial trees such as coffee, tea, and rubber should be exempted from land lease payment until the first crop is harvested, as an incentive to get projects up and running.

Land rent for projects to build food and foodstuff processing plants that consume locally grown materials would be lowered to two-thirds of current rates, according to the draft.

Investment projects to develop material supply areas for processing, to build processing factories using local resources, and to bring about new high-yield seedlings, would enjoy a 10 percent profit tax with an exemption for the first four years and 50 percent reduction for the next four years, according to the proposal.

The standard lease rate for water surfaces — now as high as $525 per hectare per year — would be set at $75 per hectare per year according to the proposal.

The draft also suggests import tax exemptions on items to help develop domestic agricultural sectors such as medicine, insecticides, animal meal, and other materials.

"What we need are investment projects promoting high yield and good quality species of plants and animals that we don't yet have in Vietnam, investment projects to develop raw materials, projects for building factories for processing agricultural products using local materials," Tan said last week.

He also called for people's committees in the provinces and cities to set up facilities to assist foreign companies with investment procedures.

There have so far been over 100 foreign direct investment projects in the area of planting, breeding and agricultural product processing with total registered capital of over $800 million. That figure accounts for six per cent of total registered investment capital in Vietnam since 1988.

"This figure does not reflect Vietnam's potential in foreign investment," commented Tan.

He outlined a number of situations in which agriculture projects encountered problems. In some cases farmers had refused to give up their land and in other cases farming households had not been providing the agreed levels of produce.

Ministry Invites Investment

BK2305143295 Hanoi VNA in English
1424 GMT 23 May 95

[FBIS Transcribed Text] Hanoi VNA May 23 — Vietnam's Ministry of Agriculture and Food Industries invited foreign investors for cooperation with Vietnamese partners in 30 projects which altogether need over USD 1 billion in investment capital.

The projects, focussing on cultivation, livestock breeding, farm produce processing and preservation set targets for the year 2000 of over 30 million tonnes of food, 1 million tonnes of sugar, 200,000 tonnes of coffee, 70,000 tonnes of tea and so on.

Vietnam's food output now stands at 26 million tonnes, which is expected to raise to 30-32 million by the year 2000, including 2 million tonnes for export. To that end the agricultural service should invest some USD 200 million in drying system, preservation facilities, rice husking, polishing and classifying establishments with modern equipment in the Mekong and Red River Deltas, the country's granaries.

On coffee production, Vietnam now has 140,000 hectares under this industrial crop with total output of 150,000 tonnes a year. In the coming time, more attention shall be paid to intensive farming in addition to the planting of 40,000-50,000 more ha, and building of 200,000 tonne/year processing plants, requiring total investment capital of USD 20 million.

With 230,000 ha of rubber trees and 100,000 tonnes of dried latex a year, the rubber service is one of the country's potential foreign currency earners. In the time to come, 15,000-20,000 more ha will be put under rubber each year, and processing plants with a combined capacity of 50,000-60,000 tonnes of rubber latex a year, built at an estimated cost of USD 500 million.

The third most important industrial crop followed coffee and rubber is tea which is being grown on 80,000 ha. Thirty thousands more hectares will be added in the coming years to raise annual output to 70,000 tonnes of dried tea bud. Some USD [number indistinct] million is needed to upgrade and build tea factories with advanced technology.

As for the sugarcane growing and sugar processing, a maximum investment capital of abmut USD 800 million is required for expanding sugarcane areas and building 44 more processing factories each with capacity of between 60,000-73,000 tonnes of sugarcanes/day, all aiming to record 1 million tonnes of sugar by 2000. At present, sugarcane-growing areas nationwide cover about 150,000 hectares which averagely yield 7 million tonnes of sugarcanes, only 15 percent of which are processed.

Besides, Vietnam has called for investment capital of USD 40 million in expanding the present area under cashew from 200,000 ha to 300,000 ha and raising cashew annual output from 80,000 tonnes to 100,000 tonnes. The sericultire industry needs USD 40 million to increase the area under mulberry from 40,000 ha to 70,000 ha and the annual silk yarn output from 1,300 tonnes to 5,000 tonnes.

Since the law on foreign investment in Vietnam took effect in 1988, over 70 foreign-invested projects in the agricultural sector with a combined capital of USD 540 million have been licenced in addition to another USD 170 million invested in 100 percent-foreign owned projects. Worthy of note are the USD 66-million joint venture on sugar production between Taiwan and Thanh Hoa Province, the USD 37.8-million joint venture on rubber planting and processing between Belarus and Ba Ria-Vung Tau Province, and the USD 10-million joint venture on for-export rice processing between Taiwan and Long An Province.

In order to encourage foreigners to put more money in the agricultural sector, the Ministry of Agriculture and Food Industry and the State Committee for Cooperation and Investment have proposed the government to offer incentives to foreign investors in respect of tax rates and land rental.

Reform of Foreign Investment Law Reviewed

BK2305141095 Hanoi VNA in English
1227 GMT 23 May 95

[FBIS Transcribed Text] Hanoi VNA May 23 — Vietnam has developed at a remarkable pace since 1987 when its foreign investment law was promulgated, establishing the legal framework for foreign direct investment in the country.

'What have been done so far in improving and simplifying the procedures for foreign investment proves to be reasonable and really a major step of reform,' Dau Ngoc Xuan, chairman of the State Committee for Cooperation and Investment (SCCI) told a conference held here recently on the imnprovement of investment procedures .

SCCI had replaced 29 documents issued by itself in the 1990-94 period with a new circular issued in Feb. 1995 as guidance covering the direct foreign investment activities such as preparation and evaluation of foreign investment projects, finance, enterprise management, and so on. In addition, new simple application forms for licences of foreign invested projects have been issued.

A number of detailed circulars guiding the government's ordinance on investment reform have been introduced by the Ministries of Construction, Finance, Commerce and Science-Technology-Environment, and various localities. For its part the Ministry of Labour, War Invalids and Social Affairs also issued 4 circulars providing guidance on the implementation of the Code of Labour relating to foreign-invested enterprises.

Localities Hold Preparatory Party Congresses

BK2105094995 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 20 May 95

[FBIS Translated Text] Ha Bac, Cao Bang, Lang Son, Tuyen Quang, Yen Bai, Long An, Tien Giang, Ben Tre, Quang Nam-Da Nang, and many other provinces have implemented the Secretariat's Directive 51 on holding preparatory party congresses at all levels. The party committee echelons of the aforementioned localities have attached importance to cadre training and selection, evaluation of party-building work in the past term, and compilation of documents to be submitted to the forthcoming party congress.

In Lang Son Province, party committee echelons have made constant efforts to direct party-building work. Since early this year, local party organizations have admitted 533 new party members. The Bac Son District party organization ranked first with 80 new party members whereas the party organizations of Na Duong and Ha Vinh Thinh have not admitted any new party members. Ha Bac Province has assessed the results of the 1994 party-building work and emulation movement, guided the assessment of the implementation of party Central Committee Third Plenum Resolution, and prepared reports on measures to help party chapters and party installations with poor results improve their performance.

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